

**COUNTY COUNCIL
OF BEAUFORT COUNTY
SOUTH CAROLINA**



“Fresh Shrimp”

Photo by Chris Kirk

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2008**

Gary Kubic
County Administrator

**Comprehensive Annual
Financial Report
of
Beaufort County, South Carolina
For the Year Ended
June 30, 2008**

Issued by

**Beaufort County Finance Department
Post Office Box 1228
Beaufort, South Carolina 29901-1228**

BEAUFORT COUNTY, SOUTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2008
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INTRODUCTORY SECTION



Mermaid La Peli Roja by Jean Kearns

“ Thanks to “The Big Swim” we have all enjoyed the whimsical “Mermaids” who have delighted us with their uniqueness. While driving around on the Old Point that Saturday I came upon my “Kodak Moment”. There she was, La Peli Roja, “all the way from the Pacific coast of Panama”, settled by the tidal pond on Federal Street and surrounded by many of Beaufort’s treasures. The line of Palmetto trees alongside the pond, the toggle board just waiting for a child to enjoy and the beautiful old southern home reflected in the serene waters of the pond were a perfect setting for La Peli Roja, as she offered up her jeweled box of pearls. ”



County Council of Beaufort County
Multi-Government Center ♦ 100 Ribaut Road
Post Office Drawer 1228
Beaufort, South Carolina 29901-1228
Telephone (843) 470-2800 FAX (843) 470-2751

January 23, 2009

To the Chairman, Members of Beaufort County Council,
And Citizens of Beaufort County
Beaufort, South Carolina

Presented herein is the Comprehensive Annual Financial Report (CAFR) of Beaufort County, South Carolina for the fiscal year ended June 30, 2008. This report has been prepared by the County's Finance Department, and the responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs are included.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

ElliottDavis, LLC, Certified Public Accountants, has issued an unqualified ("clean") opinion on the County's financial statements for the year ended June 30, 2008. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF LOCAL GOVERNMENT

Beaufort County, which was formed in 1785, operates under the Council/Administrator form of government with Council members elected for four-year terms from each of the eleven single-member districts. This report includes all funds of Beaufort County that are controlled by this governing body, and are considered to be the "reporting entity" known as Beaufort County. The services provided by this reporting entity, and therefore reflected in this financial report, include, but are not limited to: General Governmental (general administrative services, tax assessment and collection, courts and criminal justice administration, economic development); Public Safety (law enforcement, detention center, emergency medical services, emergency management, building codes enforcement); Public Works (roads and drainage, engineering, solid waste); Public Health (animal control, mosquito control, alcohol and drug programs, disabilities and special needs programs, various subsidies); Public Welfare (veterans services, social services, various subsidies); and Cultural and Recreation (library, parks and leisure services).

In light of NCGA Statement 3, Defining the Governmental Reporting Entity, the County has excluded the school district, the various public service districts, the fire districts, and the municipalities located within its boundaries as County Council does not exercise oversight responsibility, and accordingly each entity has sufficient discretion in the management of its own affairs. The County Treasurer does collect property taxes and other forms of revenue on behalf of these other political entities. The results of the fiduciary responsibility are reported on the combined financial statements as Agency Funds.

LOCAL ECONOMY

Beaufort County is located in the southeastern corner of the State of South Carolina, known as the "Lowcountry." With a land area of approximately 637 square miles, it is bordered to the South and east by the Atlantic Ocean, to the west by Jasper County, and to the north by Hampton and Colleton Counties. Beaufort County stretches nearly 30 miles along the Atlantic Ocean and includes 64 major islands and hundreds of small islands.

The County is one of the fastest growing areas in South Carolina, with a population of 147,922 in 2008, up from 86,425 in 1990. The County is a center for tourism, retirement and the associated services, and the military in South Carolina. The County has a balanced and very stable economy, created by a diversity of public and private employers, with the unemployment rate well below the national average, the statewide average, and that of the neighboring counties. The local tax base has grown an average of approximately 3% to 4% per year over the last five years (discounting the reassessment year), and this trend is expected to continue.

In addition to the established resort community of Hilton Head Island, there are several major developments underway in southern Beaufort County. These developments include Sun City Hilton Head, with more 15,000 residents expected at build-out; Spring Island, Callawassie Island, Colleton River Plantation, Belfair, and Westbury park. As expected, these developments have sparked an increase in commercial construction along the Highway 278 corridor, including a Home Depot, a Lowe's, a Wal-Mart Superstore, an expanded Factory Outlet Mall, a Target department store, and several major supermarkets.

Likewise, in northern Beaufort County, communities continue to develop at Dataw Island, Lady's Island, Cat Island, Bray's Island, and Habersham and throughout the city of Beaufort, as well as the Town of Port Royal.

Beaufort County is also the location for three major military installations, the U.S. Marine Corps Recruit Depot located at Parris Island, the Marine Corps Air Station-Beaufort, and the Beaufort Naval Hospital. These locations have benefited by the Department of Defense closing certain other military bases in the nation.

MAJOR INITIATIVES

Our number one goal is to make sure that Beaufort County remains financially sound and that we maintain a respectable contingency account to take care of the true emergencies that do arise from time to time; and to provide for a sufficient fund balance to enable our cash flow to carry us through those months prior to the billing and collection of property tax revenues. We have taken a systematic, businesslike approach to the running of Beaufort County. Additionally, we want to preserve our current "AA" bond rating.

In December 1997, the County adopted a Comprehensive Plan for Beaufort County. A portion of this plan is a comprehensive land use study which proposes various "preservation areas and greenways". As a result, the County taxpayers approved a \$40,000,000 bond referendum for the purchase of rural and critical lands. During April 2001, the County issued the first bonds under this referendum for \$10,000,000, and during June 2003, the County issued bonds for an additional \$10,000,000 under this referendum. The last \$20,000,000 of bonds authorized by this referendum were issued during November 2004.

LONG-TERM FINANCIAL PLANNING

In December 1999, the County established a tax increment financing district (TIF) to fund construction of various projects within the Town of Bluffton and surrounding unincorporated areas of Bluffton, which included the Beaufort County Library System's Bluffton branch. The County borrowed \$23,680,000 in tax increment revenue bonds during November 2003 to fund these projects.

In December 2001, the County established a TIF to fund construction for the University of South Carolina Beaufort four-year campus in the New River area of Beaufort County. The New River TIF will also fund construction for the Technical College of the Lowcountry. The County borrowed \$40,000,000 in tax increment revenue bonds during December 2002 to fund these projects.

In December 2006, the County issued bonds for \$30,000,000 to "pay off" the County's Bond Anticipation Notes of \$25,000,000 and provide additional funds for the construction of the Bluffton Parkway Project. This parkway is an alternative route of US Highway 278 and is expected to significantly improve the traffic flow in Southern Beaufort County. The County had expenditures of \$10,597,211 for this project during fiscal year 2008. This project was completed in early 2008.

Additionally, in September 2007, the County issued \$25,500,000 in general obligation bonds to further the County's rural and critical lands program and to provide an extension to the Buckwalter Parkway. Also, in October 2007, the County issued \$17,530,000 in general obligation bonds, to fund various County projects.

RELEVANT FINANCIAL INFORMATION

The management of Beaufort County is responsible for developing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The County's accounting system has given consideration to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. This concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management. Accordingly, management believes that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

ACKNOWLEDGEMENTS

State statutes require an annual audit by independent certified public accountants or independent public accountants. The accounting firm of Elliott Davis, LLC was selected by County Council. In addition to meeting the requirements set forth in the statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, and related OMB Circular A-133. The auditor's report on the financial statements is included in the financial section of this report. The auditor's reports, pertinent to the requirements of the Single Audit Act, are included in the Single Audit Section.

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the professional and dedicated services of the entire staff of the Finance Department throughout the fiscal year. We sincerely appreciate the efforts of other department heads and their employees who contributed to this report.

Additionally, we would like to express our appreciation to the County Administrator and to County Council for their continued support and understanding of the benefits of professional financial operations and reporting.

Respectfully submitted,



David A. Starkey, CPA

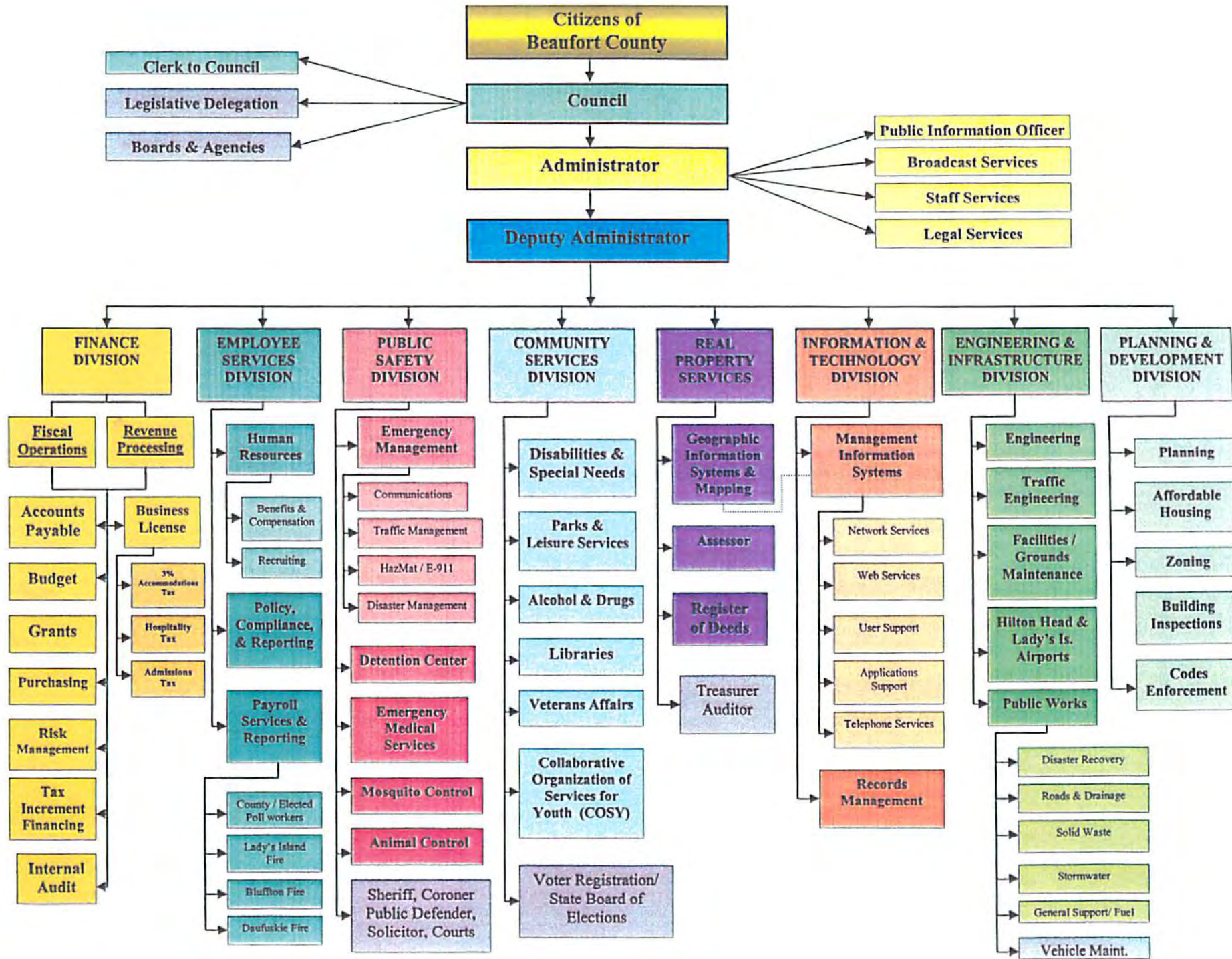
Chief Financial Officer



United States Marine Corps Recruits by Mickey J. Arps

“ This photo depicts a typical Saturday morning for the female Marine recruits on Parris Island. They are members of 4th Recruit Training Battalion, the only female training battalion in the Marine Corps. All recruits have to successfully complete a rigorous 12 week training regimen to earn the title ‘Marine’. I like the photo because, while most of us could be sleeping in, these young women are training to serve their country. To me it represents the future of our country and Corps and the recruits’ dedicated devotion to both.”

Beaufort County Organization Chart



**COUNTY COUNCIL OF BEAUFORT COUNTY
BEAUFORT, SOUTH CAROLINA
ELECTED AND APPOINTED OFFICIALS
FOR THE YEAR ENDED JUNE 30, 2008**

COUNTY COUNCIL

Wm. Weston J. Newton, Chairman

W. R. "Skeet" Von Harten, Vice-Chairman

Steven M. Baer

Rick Caporale

Gerald Dawson

Herbert N. Glaze

William L. McBride

Stewart H. Rodman

D. Paul Sommerville

Gerald W. Stewart

Laura Von Harten

COUNTY ADMINISTRATOR

Gary T. Kubic

DEPUTY COUNTY ADMINISTRATOR

Bryan J. Hill

CHIEF FINANCIAL OFFICER

David A. Starkey, CPA

COUNTY AUDITOR

Sharon P. Burris

COUNTY TREASURER

Joy Logan



Sea Pines Forest Preserve by Marci Tressel

“ It was the end of the day in the forest preserve. The fog was settling in, the moment was almost magical. I wanted to capture the mood, harmony of an almost mystical place where our imagination is free to wander. ”

FINANCIAL SECTION



Nesting Egret by Jack Crawford

“ Each spring egrets and other wading birds nest in rookeries along protected fresh water ponds in Beaufort County. In this image the mother egret is intently watching over her blue eggs waiting for them to hatch.”

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Beaufort County Council
Beaufort County
Beaufort, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beaufort County, South Carolina (the County) as of and for the year ended June 30, 2008 which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beaufort County as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 23, 2009 on our consideration of Beaufort County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with government auditing standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and required supplementary information, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, general, debt service, and capital project fund budgetary comparison information, Clerk of Court and Magistrates fees and fines schedule, and statistical tables as listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Beaufort County, South Carolina. The combining and individual nonmajor fund financial statements, general fund, debt service, and capital project fund budgetary comparison information, Clerk of Court and Magistrate fees and fines schedule, and accompanying Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Elliott Davis, LLC

Columbia, South Carolina
January 23, 2009

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

As management of Beaufort County, South Carolina (the County), we offer the readers of the County's financial statements this narrative overview and analysis of the financial activities of Beaufort County, South Carolina for the fiscal year ended June 30, 2008. We encourage the readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 through 5 of this report.

FINANCIAL HIGHLIGHTS

- The assets of Beaufort County exceeded its liabilities at June 30, 2008 by \$186,562,593 (net assets). Of this amount \$45,709,829 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$50,508,667 during the fiscal year ended June 30, 2008 with a \$51,846,774 increase resulting from governmental activities and a \$1,338,107 decrease resulting from business type activities.
- At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$155,615,408, an increase of \$46,983,609 in comparison with the prior year. Approximately 33 percent, \$51,782,717, is available for spending at the government's discretion (unreserved, undesignated fund balance).
- At the end of the current fiscal year, the County's unreserved fund balance for the general fund was \$18,929,748, or approximately 21 percent of the general fund expenditures and transfers.
- Beaufort County's net capital assets increased by \$43,073,897 during the current fiscal year. The increase in governmental activities net capital assets of \$43,785,718 was mostly the result of several purchases of property through the Real Property Purchase Program and the construction of the Bluffton Parkway and of several other road projects throughout the County with the County's Road Improvement Program.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements – The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. In particular, these statements include all assets and liabilities using the accrual basis of accounting used by most private sector companies.

The *statement of net assets* presents information on all of the County's assets less its liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, public works, public health, public welfare, and cultural and recreation. The business-type activities include the garage,

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

stormwater utility, the Lady's Island Airport, and the Hilton Head Island Airport. The business-type activities function for all practical purposes as departments of the County, and therefore have been included as integral parts of the primary government.

The government-wide financial statements can be found on pages 27 through 29 of this report.

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Beaufort County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds – Governmental funds are used to account for essentially the same functions as governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, County wide general obligation bonds fund, sales tax projects fund, real property program fund, and the Bluffton Parkway project fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic fund financial statements can be found on pages 30 through 36 of this report.

Proprietary funds – The County maintains four different types of proprietary funds, all of which are *enterprise funds*. Enterprise funds are used to report the same functions as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its garage, stormwater utility, Lady's Island Airport, and Hilton Head Island Airport operations. These funds report the services provided by the County for which the County charges a user fee or charge intended to recover all or a significant portion of their costs.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the garage, stormwater utility, Lady's Island Airport, and the Hilton Head Island Airport, all of which are considered to be major funds of the County.

The basic proprietary fund financial statements can be found on pages 37 through 40 of this report.

**BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for the fiduciary funds is much like that used for proprietary funds.

The statement of fiduciary net assets can be found on page 41 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in both the government-wide and the fund financial statements. The notes are presented on pages 42 through 66 of the report.

Other supplemental information – In addition to the basic financial statements and accompanying notes, this report also presents certain supplemental information that further supports the financial statements.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented within this section of this report and can be found on pages 67 through 129.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Beaufort County, assets exceeded liabilities by \$186,562,593 as of June 30, 2008.

Of this amount, \$92,246,900 (approximately 49 percent) reflects the County's investment in capital assets (land, buildings and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to repay the debt. An additional portion of the County's net assets, \$48,605,864 (approximately 26 percent), represents resources that are restricted to the repayment of the County's bonded indebtedness. The remaining balance of unrestricted net assets, \$45,709,829 (approximately 25 percent), may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Beaufort County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

**BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Beaufort County's Net Assets
June 30, 2008 and 2007**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Current and Other Assets	\$ 170,545,486	\$ 124,774,702	\$ 3,001,168	\$ 2,841,689	\$ 173,546,654	\$ 127,616,391
Capital Assets	<u>258,415,419</u>	<u>214,629,701</u>	<u>23,334,636</u>	<u>24,046,457</u>	<u>281,750,055</u>	<u>238,676,158</u>
Total Assets	<u>\$ 428,960,905</u>	<u>\$ 339,404,403</u>	<u>\$ 26,335,804</u>	<u>\$ 26,888,146</u>	<u>\$ 455,296,709</u>	<u>\$ 366,292,549</u>
Long-Term Liabilities	\$ 240,014,260	\$ 200,391,194	\$ 1,940,921	\$ 195,847	\$ 241,955,181	\$ 200,587,041
Other Liabilities	<u>24,174,156</u>	<u>26,087,494</u>	<u>2,604,779</u>	<u>3,564,088</u>	<u>26,778,935</u>	<u>29,651,582</u>
Total Liabilities	<u>\$ 264,188,416</u>	<u>\$ 226,478,688</u>	<u>\$ 4,545,700</u>	<u>\$ 3,759,935</u>	<u>\$ 268,734,116</u>	<u>\$ 230,238,623</u>
Net Assets:						
Invested in Capital Assets						
Net of Related Debt	\$ 70,675,038	\$ 52,776,852	\$ 21,571,862	\$ 24,046,457	\$ 92,246,900	\$ 76,823,309
Restricted for Debt Service	48,605,864	18,695,106	-	-	48,605,864	18,695,106
Unrestricted (Deficit)	<u>45,491,587</u>	<u>41,453,757</u>	<u>218,242</u>	<u>(918,246)</u>	<u>45,709,829</u>	<u>40,535,511</u>
	<u>\$ 164,772,489</u>	<u>\$ 112,925,715</u>	<u>\$ 21,790,104</u>	<u>\$ 23,128,211</u>	<u>\$ 186,562,593</u>	<u>\$ 136,053,926</u>

The County's total net assets increased by \$50,508,667 during the 2008 fiscal year. Key elements of this increase are as follows:

- There was an increase in the County's governmental current and other assets of \$45.7 million, which increased mostly because of the \$19.3 million increase in cash within the County's County wide general obligation bonds fund as of June 30, 2008 compared to June 30, 2007. This increase resulted from the cash realized but not spent as of June 30, 2008 from the County's \$17.5 million refunding bond issuance. Also, the County's sales tax projects fund's cash increased by approximately \$16.3 million and other current assets increased by \$3.1 million over the previous fiscal year due to the 1% referendum local sales tax monies realized for the full fiscal year. The 1% referendum local sales tax collections began in the last quarter of the 2007 fiscal year. Additionally, there was a \$5.1 million increase in the New River Tax Increment Financing's (TIF) debt service fund equity in pooled cash and investments. The \$5.1 million increase was the result of the County's TIF reconciliation and an increase of \$2 million in tax revenues from the 2007 fiscal year to the 2008 fiscal year.
- The County's governmental net capital assets increased by \$43.8 million. This increase occurred mostly from the County's \$21.6 million in purchases of land and easements, \$19.7 million of investments in infrastructure, and \$4.0 million in upgraded radios for improved communications abilities in the event of emergencies. See the capital assets and debt administration section below for more detail.
- The \$17.5 million bond issuance and a \$25.5 million bond issuance were also the main cause of the increases within the County's governmental activities restricted for debt service net assets and long-term liabilities. The increases in debt service net assets and long-term liabilities were \$39.9 million and \$39.7 million, respectively.
- For the County's business-type activities, there was an increase of approximately \$.7 million in liabilities. This increase mostly related to the \$1.8 million note the County's general fund issued to the Hilton Head Island Airport for the construction of hangers at the airport, net of the Hilton Head Island Airport's net \$.4 million pay-down of its current advances from the County's general fund, the Lady's Island Airport's net \$.2 million pay-down of its current advances from the County's general fund, and a \$.1 million decrease in Hilton Head Island Airport's accounts payable from June 30, 2007 to June 30, 2008.

**BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**Beaufort County's Changes in Net Assets
For the Fiscal Years Ended June 30, 2008 and 2007**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 31,413,093	\$ 32,302,521	\$ 10,385,146	\$ 8,887,802	\$ 41,798,239	\$ 41,190,323
Operating Grants and Contributions	8,312,520	6,980,330	244,468	219,079	8,556,988	7,199,409
Capital Grants and Contributions	33,285,927	8,567,228	1,004,624	1,334,933	34,290,551	9,902,161
General Revenues:						
Property Taxes	81,399,195	72,584,375	-	-	81,399,195	72,584,375
Grants and Contributions	9,621,104	7,719,639	-	-	9,621,104	7,719,639
Unrestricted Investment Earnings	4,701,846	4,179,902	86,760	174,319	4,788,606	4,354,221
Transfers In / (Out)	1,863,867	-	(1,863,867)	-	-	-
Miscellaneous	<u>9,342,263</u>	<u>2,838,808</u>	<u>270</u>	<u>4,320</u>	<u>9,342,533</u>	<u>2,843,128</u>
Total Revenues	<u>179,939,815</u>	<u>135,172,803</u>	<u>9,857,401</u>	<u>10,620,453</u>	<u>189,797,216</u>	<u>145,793,256</u>
Program Expenses						
Governmental Activities:						
General Government	27,566,886	24,863,032	-	-	27,566,886	24,863,032
Public Safety	45,505,447	40,322,590	-	-	45,505,447	40,322,590
Public Works	21,017,930	19,507,135	-	-	21,017,930	19,507,135
Public Health	9,545,159	8,434,863	-	-	9,545,159	8,434,863
Public Welfare	2,082,811	1,460,053	-	-	2,082,811	1,460,053
Cultural and Recreation	11,682,973	10,527,430	-	-	11,682,973	10,527,430
Interest	10,691,835	9,238,679	-	-	10,691,835	9,238,679
Business-Type Activities:						
Garage	-	-	4,778,275	4,186,346	4,778,275	4,186,346
Stormwater Utility	-	-	2,896,205	2,528,367	2,896,205	2,528,367
Lady's Island Airport	-	-	845,649	673,942	845,649	673,942
Hilton Head Airport	-	-	<u>2,675,379</u>	<u>2,107,556</u>	<u>2,675,379</u>	<u>2,107,556</u>
Total Expenses	<u>128,093,041</u>	<u>114,353,782</u>	<u>11,195,508</u>	<u>9,496,211</u>	<u>139,288,549</u>	<u>123,849,993</u>
Excess Revenues over Expenses	51,846,774	20,819,021	(1,338,107)	1,124,242	50,508,667	21,943,263
Net Assets, Beginning	<u>112,925,715</u>	<u>92,106,694</u>	<u>23,128,211</u>	<u>22,003,969</u>	<u>136,053,926</u>	<u>114,110,663</u>
Net Assets, Ending	<u>\$ 164,772,489</u>	<u>\$ 112,925,715</u>	<u>\$ 21,790,104</u>	<u>\$ 23,128,211</u>	<u>\$ 186,562,593</u>	<u>\$ 136,053,926</u>

BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Governmental activities increased the County's net assets by \$51.8 million, thereby accounting for 103 percent of the total growth in the net assets of the County (net of the decrease in the County's business-type activities net assets). Key elements of this net increase are as follows:

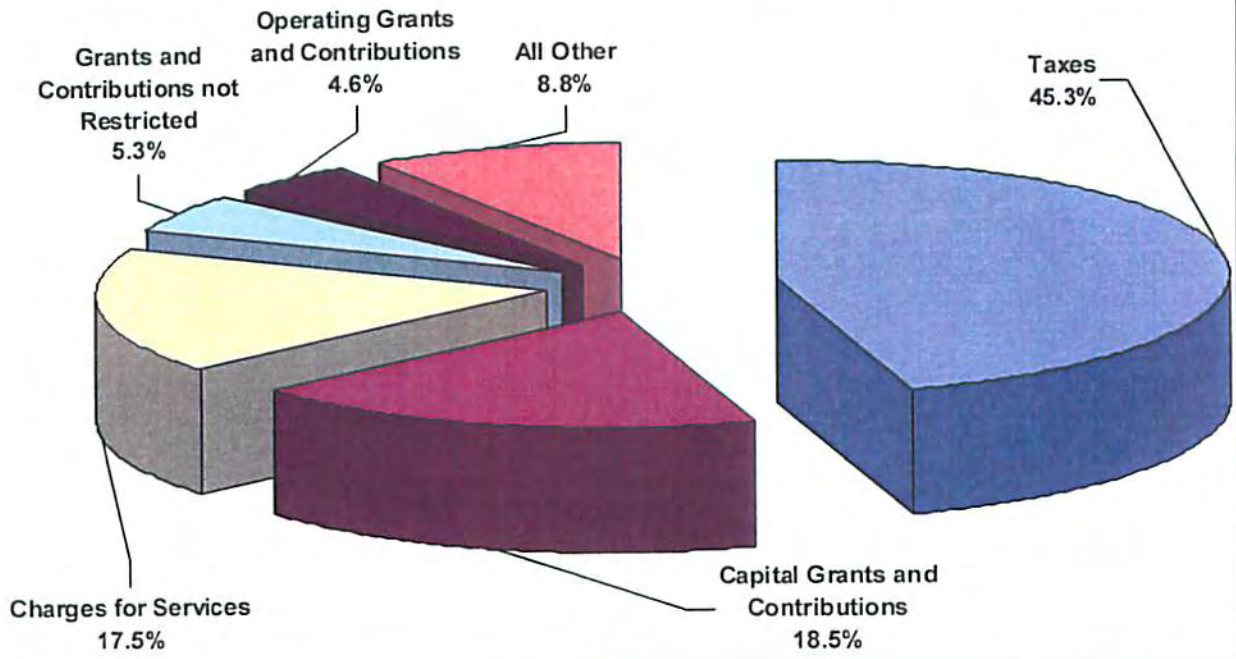
- The County's governmental capital grants and contributions revenues increased by \$24.7 million compared to the 2007 fiscal year, which was mostly due to the \$20.9 million increase in the County's sales tax projects fund revenues. As stated above the sales tax projects fund relates to the 1% referendum local sales tax collections which were realized for the full 2008 fiscal year, as opposed to part of the 2007 fiscal year (the first year of collections).
- In the 2008 fiscal year property tax revenues increased by approximately \$8.8 million (or 12.1%) over the 2007 fiscal year. The 12.1% increase of property tax revenues in the 2008 fiscal year over the 2007 fiscal year is compared to a \$3.9 million or 5.6% increase in property tax revenues in the 2007 fiscal year over the 2006 fiscal year and compared to a \$3.0 million or 4.6% increase in property tax revenues in the 2006 fiscal year over the 2005 fiscal year. Increases in property taxes were due to increased millage rates, increasing property values, increasing development, and an increasing population.
- Miscellaneous revenues also increased by \$8.4 million, which was fueled mostly from \$6.5 million in litigation settlement funds realized by the County. \$6.0 of the \$6.5 million in settlement funds related to the settlement between the County and the builder of the County's administrative complex.
- The County's public safety expenditures increased by \$5.2 million during the 2008 fiscal year as compared to the 2007 fiscal year. The increase resulted mostly from a \$1.2 million other post employment benefits (OPEB) liability expenditure increase in fiscal year 2008 compared to fiscal year 2007. Starting in fiscal year 2008, the County began to recognize a total \$3.4 million annual OPEB cost, of which \$1.2 million is allocated to the County's public safety function. The recognized allocated OPEB cost is in compliance with the Governmental Accounting Standards Board (GASB) issued Statement No. 45 entitled *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, which took effect in the 2008 fiscal year for the County. Additionally, purchases of non-capitalized assets increased by \$1.1 million in the 2008 fiscal year compared to the 2007 fiscal year and the book value of assets disposed totaled approximately \$.2 million in the 2008 fiscal year, compared to no net book value of assets disposed of in the 2007 fiscal year.

Business-type activities decreased the County's net assets by \$1.3 million, thereby accounting for a negative 3 percent of the total growth in the net assets of the County. Key elements of this net increase are as follows:

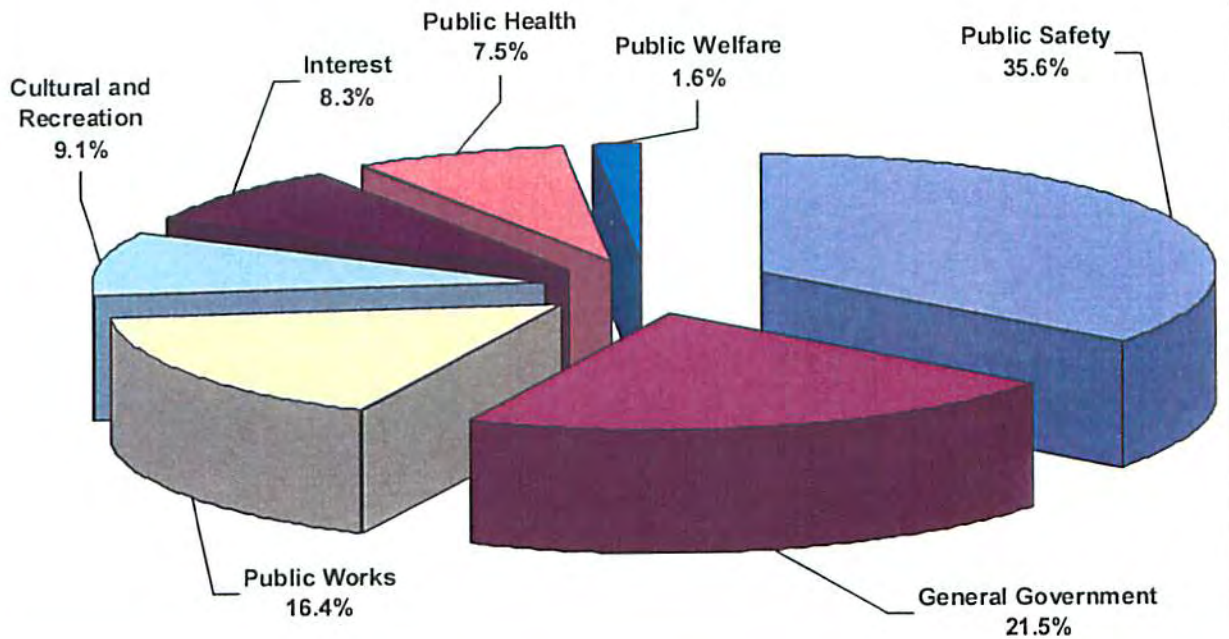
- Expenses for the Hilton Head Island Airport increased by approximately \$2.4 million during the 2008 fiscal year compared to the 2007 fiscal year. The cause of the increase resulted mostly from the County issuing a \$1.8 million note in fiscal year 2008 for hangars completed at the County's expense at the Hilton Head Island Airport in fiscal year 2007.

BEAUFORT COUNTY, SOUTH CAROLINA
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

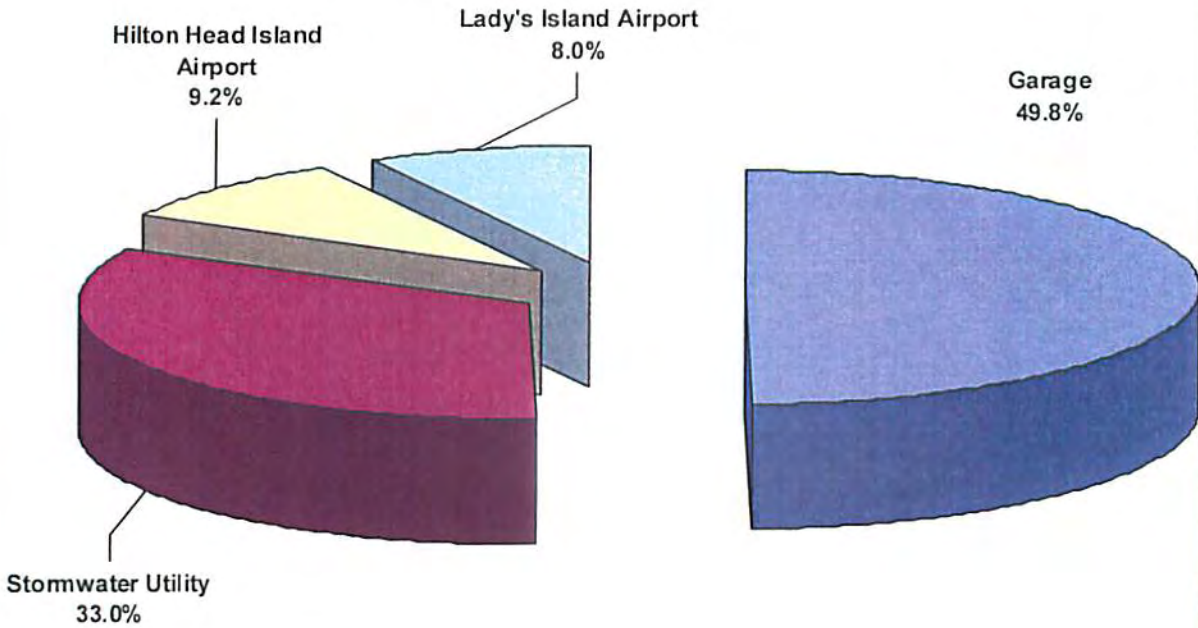
Revenues by Source - Governmental Activities



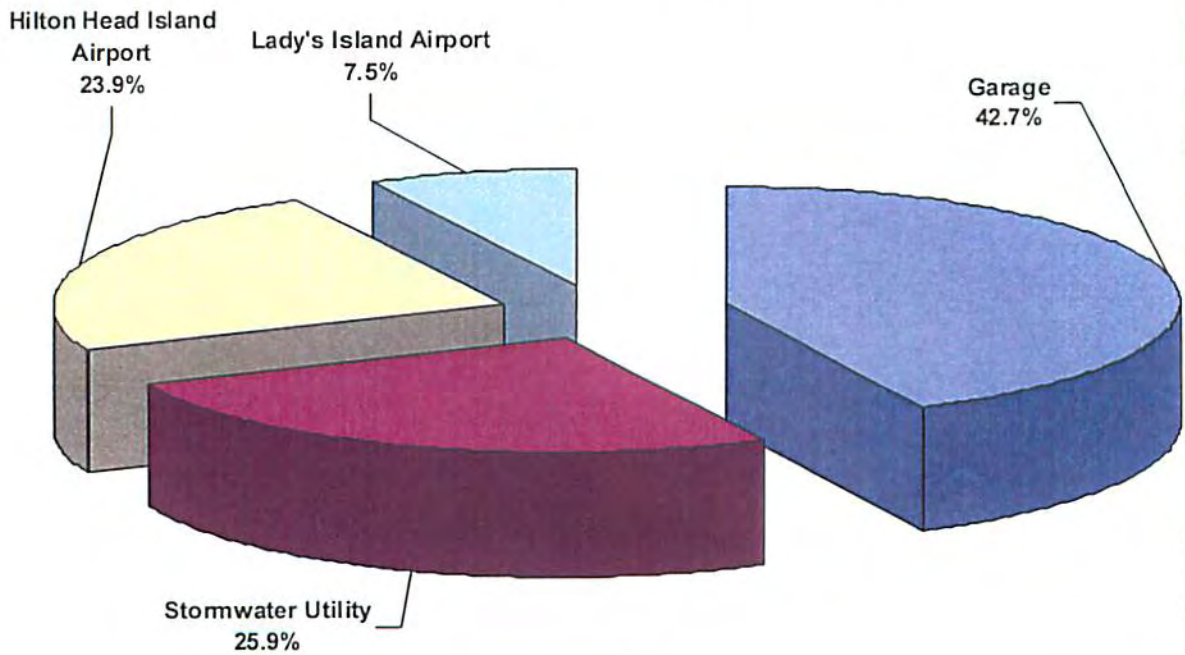
Expenditures by Program - Governmental Activities



Revenues by Source - Business-Type Activities



Expenses by Source - Business-Type Activities



BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, Beaufort County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds – The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$155,615,408, an increase of \$46,983,609 in comparison with the prior year. Approximately one third of this total amount (\$51,782,717) constitutes *unreserved, undesignated fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to 1) to liquidate contracts and purchase orders (\$22,899,299), 2) to fund planned capital projects (\$32,327,528), and 3) to pay debt service (\$48,605,864).

General Fund – The general fund is the main operating fund of the County. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$18,929,748, while the total fund balance was \$19,756,991. As a measure of the general fund's liquidity, a comparison is made of both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents approximately 21% of total general fund expenditures and transfers, while total fund balance represents approximately 22% of total general fund expenditures.

County Wide General Obligation Bonds Fund – At the end of the current fiscal year, the total fund balance of the county wide general obligation bonds fund was \$21,807,616, all of which was reserved for debt service. The county wide general obligation bonds fund recognized revenues of \$11,527,395, total expenditures of \$12,416,747, and \$21,605,128 in other financing sources, for a net change in fund balance of \$20,715,776.

Sales Tax Projects Fund – At the end of the current fiscal year, the total fund balance of the sales tax projects fund was \$22,899,230, of which \$20,771,536 was reserved for encumbrances and \$2,127,694 was reserved for capital projects. The sales tax projects fund recognized revenues of \$25,930,718 and total expenditures of \$6,846,156, for a net change in fund balance of \$19,084,562.

Real Property Program Fund – At the end of the current fiscal year, the total fund balance of the real property program fund was \$3,130,185, all of which was reserved for capital projects. The real property program fund recognized revenues of \$5,498,156, total expenditures of \$20,908,819, and \$20,000,000 in other financing sources, for a net change in fund balance of \$4,589,337.

Bluffton Parkway Project Fund – At the end of the current fiscal year, the total fund balance of the Bluffton Parkway project fund was \$3,630,417, of which \$1,283,116 was reserved for encumbrances and \$2,347,301 was reserved for capital projects. The Bluffton Parkway project fund recognized revenues of \$134,620, total expenditures of \$10,597,211, and \$5,500,000 in other financing sources, for a net change in fund balance of (\$4,962,591).

Details of the County's governmental funds are shown in the government-wide financial statements. Further details of the County's general fund are shown on Schedule "A" and further details of the County's nonmajor governmental funds are shown on Schedules "B", "C", "D" and "E".

Proprietary funds – The focus of the County's proprietary funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County proprietary funds' financing requirements. As restrictions, commitments, and other limitations on net assets significantly affect the availability of fund resources for future use, unreserved net assets may serve as a useful measure of a government's proprietary net resources available for spending at the end of the fiscal year.

**BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

As of the end of the current fiscal year, the County's proprietary funds reported combined ending net assets of \$21,790,104 an decrease of \$1,338,107 in comparison with the prior year. The decrease was mostly the result of the transfer of \$1.8 million from the Hilton Head Island Airport to the County's general fund, which corresponded to hangers the County built for the airport in the fiscal years 2007 and prior. In fiscal year 2008, the County reclassified the hangers from a contribution to a liability and issued a \$1.8 million note to the Hilton Head Island Airport.

Garage – At the end of the current fiscal year, the net assets of the garage fund was \$183,300, of which \$231,178 was invested in capital assets, net of related debt, leaving a deficit balance of \$47,878 in unrestricted net assets. The garage fund recognized operating revenues of \$4,913,862, total operating expenses of \$4,778,275, and \$270 in net non-operating revenues, for a change in net assets of \$135,857.

Stormwater Utility – At the end of the current fiscal year, the net assets of the stormwater utility fund was \$3,076,393, of which \$1,432,554 was invested in capital assets, net of related debt, leaving a balance of \$1,643,839 in unrestricted net assets. The stormwater utility fund recognized operating revenues of \$3,233,196, total operating expenses of \$2,896,205, and \$19,681 in net non-operating revenues, for a change in net assets of \$356,672.

Lady's Island Airport – At the end of the current fiscal year, the net assets of the Lady's Island Airport fund was \$3,091,388, of which \$3,399,380 was invested in capital assets, net of related debt, leaving a deficit balance of \$307,992 in unrestricted net assets. The Lady's Island Airport recognized operating revenues of \$729,620, total operating expenses of \$781,425, and \$6,304 in net non-operating expenses, for a change in net assets of (\$58,109).

Hilton Head Island Airport – At the end of the current fiscal year, the net assets of the Hilton Head Island Airport fund was \$15,439,023, of which \$16,508,750 was invested in capital assets, net of related debt, leaving a deficit balance of \$1,069,727 in unrestricted net assets. The Hilton Head Island Airport recognized operating revenues of \$1,752,936, total operating expenses of \$2,204,325, and \$1,321,138 in net non-operating expenses, for a change in net assets of (\$1,772,527).

**BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget to Final Budget Comparison for the Fiscal Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	Variance with Original Budget Positive (Negative)
Revenues:			
Taxes	\$ 61,828,000	\$ 61,828,000	\$ -
Licenses and Permits	5,461,603	5,461,603	-
Intergovernmental	7,894,349	7,894,349	-
Charges for Services	11,649,817	11,649,817	-
Fines and Forfeitures	864,440	864,440	-
Interest	705,000	705,000	-
Miscellaneous	<u>315,100</u>	<u>315,100</u>	<u>-</u>
Total Revenues	88,718,309	88,718,309	-
Expenditures:			
General Government	23,054,464	21,512,717	1,541,747
Public Safety	39,010,991	39,941,525	(930,534)
Public Works	16,727,486	17,557,837	(830,351)
Public Health	2,665,656	3,067,186	(401,530)
Public Welfare	471,585	986,085	(514,500)
Culture and Recreation	<u>8,693,301</u>	<u>8,828,337</u>	<u>(135,036)</u>
Total Expenditures	90,623,483	91,893,687	(1,270,204)
Excess of Revenues Over (Under)			
Expenditures	(1,905,174)	(3,175,378)	(1,270,204)
Other Financing Sources (Uses)			
Transfers In	4,957,500	5,812,500	855,000
Transfers Out	<u>(3,060,572)</u>	<u>(3,060,572)</u>	<u>-</u>
Total Other Financing Sources (Uses)	1,896,928	2,751,928	855,000
Net Change in Fund Balance	(8,246)	(423,450)	(415,204)
Fund Balance at the			
Beginning of the Year	<u>21,642,520</u>	<u>21,642,520</u>	<u>-</u>
Fund Balance at the			
End of the Year	<u>\$ 21,634,274</u>	<u>\$ 21,219,070</u>	<u>\$ (415,204)</u>

**BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

The general fund original budget's net assets varied from its final budget's net assets by (\$415,204). Key elements of this net budget increase are as follows:

- The County's general government original expenditures budget was revised downward by approximately \$1.5 million during the 2008 fiscal year. In this, there was a \$1.6 million decrease in the County's general contingency budget and a \$.7 million decrease in the County's various agency subsidies from their original budgeted amounts. These decreases were actually allocations out of the general government's expenditures budget to other general fund expenditure types. See the other key elements below for more detail. The decreases in the County's general government budget were offset mostly by increases of approximately \$.2 million in purchased professional services within the County planning and comprehensive plan's budget, approximately \$.2 million in purchased services budget increases within the County business license office relating to professional services purchases for the business license audit, and approximately \$.2 million in direct subsidies budget increases for the County's housing coordinator.
- The public safety expenditures budget was revised upward by \$.9 million. This mostly came from \$1.2 million in capital expenditure additions to the County's public safety budget. These extra expenditures included approximately \$.9 million in capital expenditures on vehicles for the Sheriff's Department. The \$1.2 million increase in capital expenditures was mostly offset by budget adjustments that decreased the Sheriff's Office personnel budget. Some of the \$1.2 million in public safety expenditure budget increases were allocations from the County's general government expenditures general contingency. See above for more detail.
- There also was an increased \$.8 million budget revision to the County's public works expenditures. This included an additional \$.5 million in budget increases for the County's facilities maintenance department and public works department for capital asset expenditures. Additionally, there was a \$.2 million original to final budget increase within the public works department's purchased services, most of which was attributable to cleaning services.
- Additionally, there was a net \$.5 million County public welfare expenditure budget increase relating to subsidy budget increases. In this, the County increased the original subsidy budgets of the Lowcountry Regional Transit Authority by \$247,000 and the budgets of Senior Services of Beaufort and Together for Beaufort by \$70,000 each. These public welfare expenditure budget increases came mostly from the \$.7 million general government agency subsidy allocation. See above for more detail.
- The public health expenditure budget was revised upward by approximately \$.4 million mostly due to a \$.2 million increase in the County's mosquito control department's capital asset expenditures budget and a \$.2 million increase in the County's public health subsidies, \$140,000 of which went to an increased subsidy budget for Coastal Empire Mental Health. These public health expenditure budget increases came mostly from the \$.7 million general government agency subsidy allocation. See above for more detail.
- Lastly, the original budget for transfers into the County's general fund was increased by approximately \$.9 million. This was accounting for an additional expected \$855,000 draw down of fund balance by the County's general fund.

**BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Final Budget to Actual Comparison for the Fiscal Year Ended June 30, 2008

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive Negative
Revenues:			
Taxes	\$ 61,828,000	\$ 60,474,820	\$ (1,353,180)
Licenses and Permits	5,461,603	3,894,583	(1,567,020)
Intergovernmental	7,894,349	8,649,634	755,285
Charges for Services	11,649,817	10,568,767	(1,081,050)
Fines and Forfeitures	864,440	1,029,600	165,160
Interest	705,000	1,015,196	310,196
Miscellaneous	<u>315,100</u>	<u>565,823</u>	<u>250,723</u>
Total Revenues	88,718,309	86,198,423	(2,519,886)
Expenditures:			
General Government	21,512,717	20,963,806	548,911
Public Safety	39,941,525	38,617,353	1,324,172
Public Works	17,557,837	15,946,656	1,611,181
Public Health	3,067,186	2,975,284	91,902
Public Welfare	986,085	931,321	54,764
Culture and Recreation	<u>8,828,337</u>	<u>8,658,731</u>	<u>169,606</u>
Total Expenditures	91,893,687	88,093,151	3,800,536
Excess of Revenues Over (Under)			
Expenditures	(3,175,378)	(1,894,728)	1,280,650
Other Financing Sources (Uses)			
Transfers In	5,812,500	2,251,087	(3,561,413)
Transfers Out	<u>(3,060,572)</u>	<u>(2,241,888)</u>	<u>818,684</u>
Total Other Financing Sources (Uses)	2,751,928	9,199	(2,742,729)
Net Change in Fund Balance	(423,450)	(1,885,529)	(1,462,079)
Fund Balance at the Beginning of the Year	<u>21,642,520</u>	<u>21,642,520</u>	-
Fund Balance at the End of the Year	<u>\$ 21,219,070</u>	<u>\$ 19,756,991</u>	<u>\$ (1,462,079)</u>

**BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

The actual net assets of the County's general fund original budget's net assets varied from its final budget's net assets by (\$415,204). Key elements of this net budget increase are as follows:

- The County's tax revenues were approximately \$1.4 million less than the final budget had projected. The shortfall in tax revenues was primarily caused by the downturn in the housing market and increased home foreclosures, which follows national housing and foreclosure trends.
- The County's licenses and permits revenues were also approximately \$1.6 million less than the final budget had projected due to the fact that the County's building permit revenues were \$.9 million less than budgeted and the County's business license revenues were \$.7 million less than budgeted. These shortfalls in revenues were caused primarily by the declining economy, especially within new housing construction.
- Additionally, actual charges for services revenues were approximately \$1.0 million less than budgeted. This was caused mostly from a \$1.2 million shortfall within the register of deeds' revenues from the original budget. This too was mostly caused from the national downturn in the housing market.
- To react to the decreasing revenues, the County decreased its expenditures by approximately \$3.8 million. These decreases came mostly within a \$1.3 million positive budget to actual variance within public safety expenditures and a \$1.6 million positive budget to actual variance within public works expenditures.
 - The \$1.3 million positive variance within the County's public safety expenditures from the final budget came mostly from personnel expenditures being a combined \$.7 million less within the County's sheriff's office, communications/traffic management department, and emergency services department. Additionally, actual capital expenditures were approximately \$.3 million less than budget within the County's emergency services department.
 - The \$1.6 million positive variance within the County's public works expenditures from the final budget came mostly from \$1.1 million less in purchased solid waste disposal services used by the County's solid waste/recycling department. Also, personnel expenditures were approximately \$.5 million less than budgeted for the County's facilities maintenance, public works, engineering, and solid waste/recycling departments.
- Lastly, transfers in were approximately \$3.6 million less than budgeted. This was due to the fact that the County originally had planned to use the \$5.3 million of the general fund prior year's fund balance. The \$5.3 million prior year fund balance was not used and was offset partially by a \$1.8 million transfer from the County's Hilton Head Island Airport proprietary fund related to the County issuing a \$1.8 million note in fiscal year 2008 for hangers completed at the County's expense at the Hilton Head Island Airport in fiscal year 2007.

**BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – Beaufort County's investment in capital assets for its governmental and business-type activities as of June 30, 2008 was \$281,750,055 (net of accumulated depreciation). This investment in capital assets includes land and easements, buildings and improvements, infrastructure, and equipment. The total increase in the County's investment in capital assets for the current fiscal year was 18 percent (in which governmental activities capital assets increased by approximately 21 percent and business-type activities capital assets decreased by approximately 3 percent).

**Beaufort County's Capital Assets
(Net of Depreciation)
June 30, 2008 and 2007**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land and Easements	\$ 75,884,513	\$ 54,310,250	\$ 13,802,425	\$ 13,802,425	\$ 89,686,938	\$ 68,112,675
Construction in Progress	15,160,362	29,618,525	53,159	63,867	15,213,521	29,682,392
Buildings and Improvements	86,889,036	87,489,329	7,364,694	7,604,784	94,253,730	95,094,113
Infrastructure	65,844,924	33,292,748	-	-	65,844,924	33,292,748
Equipment	<u>14,636,584</u>	<u>9,918,849</u>	<u>2,114,358</u>	<u>2,575,381</u>	<u>16,750,942</u>	<u>12,494,230</u>
Total Capital Assets	<u>\$ 258,415,419</u>	<u>\$ 214,629,701</u>	<u>\$ 23,334,636</u>	<u>\$ 24,046,457</u>	<u>\$ 281,750,055</u>	<u>\$ 238,676,158</u>

Major capital asset events during the current fiscal year included the following:

- The County purchased approximately \$21.6 million in governmental activities land and easements for the County's rural and critical lands program.
- Also, the County made approximately \$19.7 million of investments in infrastructure, which included \$10.4 million in additional improvements to the Bluffton and Buckwalter Parkways.
- In addition, the County purchased \$4.0 million in upgraded radios for improved communications abilities in the event of emergencies, which is included in governmental activities equipment.

Additional information on the County's capital assets can be found in note 4 on pages 49 through 50 of this report.

**BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Long-Term Debt – At the end of the current fiscal year, Beaufort County had \$242,247,865 of total long-term debt outstanding. Of this amount, \$177,515,000 comprises of debt backed by the full faith and credit of the government.

**Beaufort County's Outstanding Debt
June 30, 2008 and 2007**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General Obligation Bonds	\$ 177,515,000	\$ 141,670,000	\$ -	\$ -	\$ 177,515,000	\$ 141,670,000
TIF Revenue Bonds	62,760,000	63,190,000	-	-	62,760,000	63,190,000
Notes Payable	-	-	1,762,774	382,191	1,762,774	382,191
Capital Leases	<u>210,091</u>	<u>240,588</u>	-	-	<u>210,091</u>	<u>240,588</u>
Total Outstanding Debt	<u>\$ 240,485,091</u>	<u>\$ 205,100,588</u>	<u>\$ 1,762,774</u>	<u>\$ 382,191</u>	<u>\$ 242,247,865</u>	<u>\$ 205,482,779</u>

Major outstanding debt events during the current fiscal year included the following:

- In September 2007, the County issued \$25,500,000 of General Obligation Bonds bearing interest rates of 4.0% to 5.0% and with varying maturity dates through 2027. \$20,000,000 of the proceeds of these bonds was used for the County's rural and critical lands projects and the remaining \$5,500,000 of the proceeds of these bonds was used for the Buckwaller Parkway extension.
- In October 2007, the County issued \$17,530,000 of General Obligation Bonds bearing interest rates of 4.0% to 5.0% and with varying maturity dates through 2020. The proceeds of these bonds were used for various County projects.
- The County issued a \$1.8 million note from the County's general fund to the Hilton Head Island Airport for the construction of hangers at the airport, which were completed in the 2007 fiscal year.
- Lastly, there was \$8,064,914 in debt service principle paid during the fiscal year.

The County maintains an underlying, unsecured "AA" bond rating from Standard & Poor's Rating Group, an underlying, unsecured "Aa2" bond rating from Moody's Investors Service, and an underlying, unsecured "AA-" bond rating from Fitch for its most recent general obligations bonds. Additionally the County maintains an underlying, unsecured "A-" bond rating from Standard & Poor's Rating Group, and an insured "AA" bond rating from Fitch for its most recent TIF revenue bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8 percent of its total assessed valuation less debt issued by referendum and debt issued and paid by other sources. The current debt limitation for the County is \$88,104,325. Beaufort County was \$44,708,501 under this legal limit at June 30, 2008.

Additional information on the County's long-term debt can be found in note 5 on pages 51 through 56 of this report.

**BEAUFORT COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

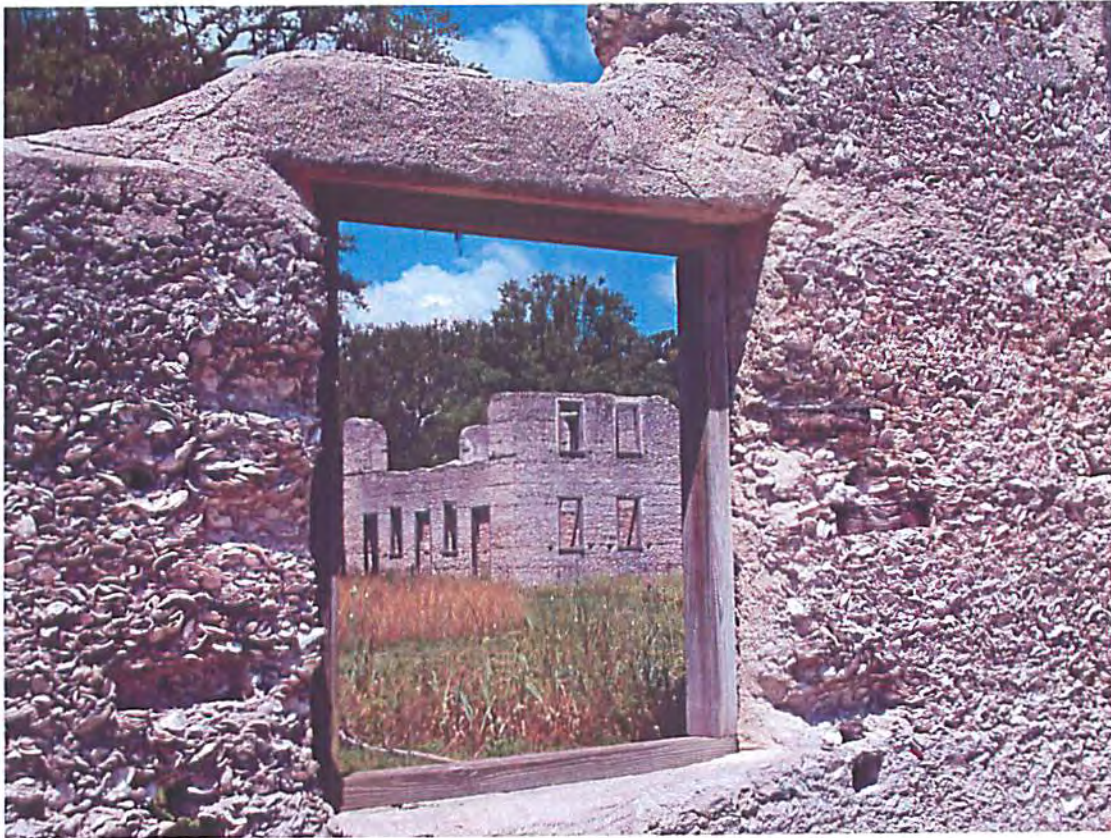
- The unemployment rate for Beaufort County was 3.7 percent at June 30, 2008, which is a decrease from a rate of 4.3 percent a year ago. This compares favorably with the State of South Carolina's average unemployment rate of 6.1 percent at June 30, 2008 and the national average unemployment rate of 5.6 percent.
- The housing market downturn began to affect the County during the 2008 fiscal year, however the downturn in the County was much less severe than in other areas around the country.
- The cost of living in this region still compares favorably to other areas of the country.

All of these factors were considered in preparing Beaufort County's budget for the 2009 fiscal year.

During the 2008 fiscal year, unreserved, undesignated fund balance in the general fund decreased by \$624,026. No fund balance of the general fund has been appropriated for spending in the County's 2009 fiscal year original budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Beaufort County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, Post Office Box 1228, Beaufort, SC 29901-1228.



Window to the Past by Barry E. Wright, M.D.

“ The elegant tabby ruins of the Edwards plantation house on Spring Island have a mystical quality. Old-time South Carolina coastal construction with tabby aesthetically intrigues me and although most historic tabby buildings have been destroyed by fire, the timeless beauty of their ruins remains a tribute to the enslaved workers who built them. ”

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
June 30, 2008

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Equity in Pooled Cash and Investments	\$ 141,745,277	\$ 1,393,504	\$ 143,138,781
Receivables, Net	16,589,114	1,231,671	17,820,785
Due from Other Governments	5,636,303	-	5,636,303
Advances to Other Funds	1,750,033	-	1,750,033
Inventories	-	304,267	304,267
Prepaid Expenditures	91,717	71,726	163,443
	<u>165,812,444</u>	<u>3,001,168</u>	<u>168,813,612</u>
Noncurrent Assets			
Equity in Pooled Investments	3,009,390	-	3,009,390
Advances to Other Funds	1,723,652	-	1,723,652
	<u>4,733,042</u>	<u>-</u>	<u>4,733,042</u>
Capital Assets			
Non-Depreciable	91,044,875	13,855,584	104,900,459
Depreciable	167,370,544	9,479,052	176,849,596
	<u>258,415,419</u>	<u>23,334,636</u>	<u>281,750,055</u>
Total Assets	<u>428,960,905</u>	<u>26,335,804</u>	<u>455,296,709</u>
LIABILITIES			
Liabilities			
Accounts Payable	9,456,445	746,544	10,202,989
Accrued Payroll	2,931,028	108,202	3,039,230
Accrued Interest Payable	3,648,037	-	3,648,037
Current Portion of Long Term Debt	6,476,701	39,122	6,515,823
Advances Payable to Other Funds	-	1,710,911	1,710,911
Due to Others	1,656,323	-	1,656,323
Deferred Revenues	5,622	-	5,622
	<u>24,174,156</u>	<u>2,604,779</u>	<u>26,778,935</u>
Long Term Liabilities			
Accrued Compensated Absences	2,763,940	77,411	2,841,351
Net Other Postemployment Benefits Obligation	3,241,930	139,858	3,381,788
Long-Term Obligations	234,008,390	1,723,652	235,732,042
	<u>240,014,260</u>	<u>1,940,921</u>	<u>241,955,181</u>
Total Liabilities	<u>264,188,416</u>	<u>4,545,700</u>	<u>268,734,116</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	70,675,038	21,571,862	92,246,900
Restricted for Debt Service	48,605,864	-	48,605,864
Unrestricted (Deficit)	45,491,587	218,242	45,709,829
Total Net Assets	<u>\$ 164,772,489</u>	<u>\$ 21,790,104</u>	<u>\$ 186,562,593</u>

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2008

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs				
Governmental Activities				
General Government	\$ 27,566,886	\$ 13,170,035	\$ 827,308	\$ 5,010,000
Public Safety	45,505,447	7,990,064	1,096,323	795,350
Public Works	21,017,930	7,016,889	552,578	27,480,577
Public Health	9,545,159	410,076	4,816,142	-
Public Welfare	2,082,811	16,525	478,095	-
Cultural and Recreation	11,682,973	2,809,504	542,074	-
Interest	10,691,835	-	-	-
Total Governmental Activities	<u>128,093,041</u>	<u>31,413,093</u>	<u>8,312,520</u>	<u>33,285,927</u>
Business-Type Activities				
Garage	4,778,275	4,913,862	-	-
Stormwater Utility	2,896,205	3,233,196	-	-
Lady's Island Airport	845,649	729,620	-	121,787
Hilton Head Airport	2,675,379	1,508,468	244,468	882,837
Total Business-Type Activities	<u>11,195,508</u>	<u>10,385,146</u>	<u>244,468</u>	<u>1,004,624</u>
Total	<u>\$ 139,288,549</u>	<u>\$ 41,798,239</u>	<u>\$ 8,556,988</u>	<u>\$ 34,290,551</u>
General Revenues & Transfers				
Taxes				
Grants and Contributions Not Restricted				
Unrestricted Investment Earnings				
Transfers In / (Out)				
Miscellaneous				
Total General Revenues & Transfers				
Change in Net Assets				
Net Assets, Beginning				
Net Assets, Ending				

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business Type Activities	Totals
\$ (8,559,543)	\$ -	\$ (8,559,543)
(35,623,710)	-	(35,623,710)
14,032,114	-	14,032,114
(4,318,941)	-	(4,318,941)
(1,588,191)	-	(1,588,191)
(8,331,395)	-	(8,331,395)
<u>(10,691,835)</u>	-	<u>(10,691,835)</u>
<u>(55,081,501)</u>	-	<u>(55,081,501)</u>
-	135,587	135,587
-	336,991	336,991
-	5,758	5,758
-	<u>(39,606)</u>	<u>(39,606)</u>
-	<u>438,730</u>	<u>438,730</u>
<u>\$ (55,081,501)</u>	<u>\$ 438,730</u>	<u>\$ (54,642,771)</u>
\$ 81,399,195	\$ -	\$ 81,399,195
9,621,104	-	9,621,104
4,701,846	86,760	4,788,606
1,863,867	(1,863,867)	-
<u>9,342,263</u>	<u>270</u>	<u>9,342,533</u>
<u>106,928,275</u>	<u>(1,776,837)</u>	<u>105,151,438</u>
51,846,774	(1,338,107)	50,508,667
<u>112,925,715</u>	<u>23,128,211</u>	<u>136,053,926</u>
<u>\$ 164,772,489</u>	<u>\$ 21,790,104</u>	<u>\$ 186,562,593</u>

BEAUFORT COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2008

	<u>General</u>	<u>County Wide General Obligation Bonds</u>	<u>Sales Tax Projects</u>
<u>ASSETS</u>			
Cash and Equity in Pooled Cash and Investments	\$ 16,963,419	\$ 20,230,545	\$ 16,285,029
Receivables, Net	4,063,589	1,705,490	7,783,702
Due from Other Governments	2,750,352	49	-
Advances to Other Funds	3,473,685	-	-
Prepaid Expenditures	85,849	-	-
Total Assets	<u>\$ 27,336,894</u>	<u>\$ 21,936,084</u>	<u>\$ 24,068,731</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities			
Accounts Payable	\$ 2,967,386	\$ -	\$ 1,169,501
Accrued Payroll	2,599,817	-	-
Due to Others	1,308,938	-	-
Deferred Property Tax Revenue	703,762	128,468	-
Deferred Revenue	-	-	-
Total Liabilities	<u>7,579,903</u>	<u>128,468</u>	<u>1,169,501</u>
<u>FUND BALANCE</u>			
Reserved for Encumbrances	827,243	-	20,771,536
Reserved for Capital Projects	-	-	2,127,694
Reserved for Debt Service	-	21,807,616	-
Unreserved	18,929,748	-	-
Total Fund Balance	<u>19,756,991</u>	<u>21,807,616</u>	<u>22,899,230</u>
Total Liabilities and Fund Balance	<u>\$ 27,336,894</u>	<u>\$ 21,936,084</u>	<u>\$ 24,068,731</u>

The accompanying notes are an integral part of these financial statements.

<u>Real Property Program</u>	<u>Bluffton Parkway Project</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,929,631	\$ 3,361,646	\$ 84,984,397	\$ 144,754,667
210,000	323,912	2,502,421	16,589,114
-	-	2,885,902	5,636,303
-	-	-	3,473,685
-	-	5,868	91,717
<u>\$ 3,139,631</u>	<u>\$ 3,685,558</u>	<u>\$ 90,378,588</u>	<u>\$ 170,545,486</u>
\$ 9,446	\$ 55,141	\$ 5,254,971	\$ 9,456,445
-	-	331,211	2,931,028
-	-	347,385	1,656,323
-	-	48,430	880,660
-	-	5,622	5,622
<u>9,446</u>	<u>55,141</u>	<u>5,987,619</u>	<u>14,930,078</u>
-	1,283,116	17,404	22,899,299
3,130,185	2,347,301	24,722,348	32,327,528
-	-	26,798,248	48,605,864
-	-	32,852,969	51,782,717
<u>3,130,185</u>	<u>3,630,417</u>	<u>84,390,969</u>	<u>155,615,408</u>
<u>\$ 3,139,631</u>	<u>\$ 3,685,558</u>	<u>\$ 90,378,588</u>	<u>\$ 170,545,486</u>

BEAUFORT COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
June 30, 2008

Total Governmental Fund Balances (Exhibit 3)	\$ 155,615,408
 Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds	258,415,419
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred in governmental funds - property taxes	880,660
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in governmental funds	
Accrued Interest Payable	(3,648,037)
Current Portion of Long Term Debt	(6,476,701)
Accrued Compensated Absences	(2,763,940)
Net Other Post Employment Benefits Obligation	(3,241,930)
Long-term obligations	<u>(234,008,390)</u>
 Net Assets of Governmental Activities	 <u>\$ 164,772,489</u>

The accompanying notes are an integral part of these financial statements.



Allée by Peggy Mac Bean

"I had just come across the word allée in a mystery novel set in France, but hadn't made the connection with our Southern variety until I drove past this one. I did a double-take and made a probable illegal U-turn to take its picture in the early morning 'slant of light.' I love perspective shots anyway, especially ones like these that curve away into infinity."

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	<u>General</u>	<u>County Wide General Obligation Bonds</u>	<u>Sales Tax Projects</u>
Revenues			
Taxes	\$ 60,474,820	\$ 9,107,612	\$ -
Licenses and Permits	3,894,583	-	-
Intergovernmental	8,649,634	187,213	25,531,506
Charges for Services	10,568,767	-	-
Fines and Forfeitures	1,029,600	-	-
Interest	1,015,196	787,746	399,212
Settlements	-	-	-
Miscellaneous	565,823	1,444,824	-
Total Revenues	<u>86,198,423</u>	<u>11,527,395</u>	<u>25,930,718</u>
Expenditures			
General Government	20,963,806	-	-
Public Safety	38,617,353	-	-
Public Works	15,946,656	-	-
Public Health	2,975,284	-	-
Public Welfare	931,321	-	-
Cultural and Recreation	8,658,731	-	-
Debt Service - Principal	-	6,685,000	-
Debt Service - Interest and Fees	-	5,731,747	-
Capital Projects	-	-	6,846,156
Total Expenditures	<u>88,093,151</u>	<u>12,416,747</u>	<u>6,846,156</u>
Excess of Revenues Over (Under) Expenditures	(1,894,728)	(889,352)	19,084,562
Other Financing Sources (Uses)			
Issuance of Bonds	-	17,530,000	-
Transfers In	2,251,087	4,075,128	-
Transfers Out	(2,241,888)	-	-
Total Other Financing Sources (Uses)	<u>9,199</u>	<u>21,605,128</u>	<u>-</u>
Net Change in Fund Balance	(1,885,529)	20,715,776	19,084,562
Fund Balance at the Beginning of the Year	<u>21,642,520</u>	<u>1,091,840</u>	<u>3,814,668</u>
Fund Balance at the End of the Year	<u>\$ 19,756,991</u>	<u>\$ 21,807,616</u>	<u>\$ 22,899,230</u>

The accompanying notes are an integral part of these financial statements.

<u>Real Property Program</u>	<u>Bluffton Parkway Project</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals Governmental Funds</u>
\$ -	\$ -	\$ 11,336,960	\$ 80,919,392
-	-	11,349,933	15,244,516
5,010,000	-	11,841,198	51,219,551
-	-	4,311,877	14,880,644
-	-	258,333	1,287,933
488,149	134,620	1,876,923	4,701,846
-	-	6,503,786	6,503,786
7	-	1,080,906	3,091,560
<u>5,498,156</u>	<u>134,620</u>	<u>48,559,916</u>	<u>177,849,228</u>
-	-	3,318,141	24,281,947
-	-	4,012,204	42,629,557
-	-	3,558,404	19,505,060
-	-	6,673,427	9,648,711
-	-	621,330	1,552,651
-	-	705,935	9,364,666
-	-	930,000	7,615,000
-	-	4,387,498	10,119,245
<u>20,908,819</u>	<u>10,597,211</u>	<u>12,690,463</u>	<u>51,042,649</u>
<u>20,908,819</u>	<u>10,597,211</u>	<u>36,897,402</u>	<u>175,759,486</u>
(15,410,663)	(10,462,591)	11,662,514	2,089,742
20,000,000	5,500,000	-	43,030,000
-	-	12,516,563	18,842,778
-	-	(14,737,023)	(16,978,911)
<u>20,000,000</u>	<u>5,500,000</u>	<u>(2,220,460)</u>	<u>44,893,867</u>
4,589,337	(4,962,591)	9,442,054	46,983,609
<u>(1,459,152)</u>	<u>8,593,008</u>	<u>74,948,915</u>	<u>108,631,799</u>
<u>\$ 3,130,185</u>	<u>\$ 3,630,417</u>	<u>\$ 84,390,969</u>	<u>\$ 155,615,408</u>

**BEAUFORT COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2008**

Total Net Change in Fund Balances - Governmental Funds (Exhibit 4) \$ 46,983,609

Amounts reported for governmental activities in the statement of activities are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period

Capital Outlay	54,716,472
Depreciation	(10,741,537)

In the statement of activities, the loss on disposal of capital assets is reported. Conversely, governmental funds do not report any gain or loss on disposal of capital assets.

Net Book Value of Capital Assets Disposed	(189,217)
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Because some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues in the governmental funds

Increase in Deferred Property Taxes	479,803
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The issuance of long-term debt (bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions has any affect on net assets

Issuance of Long-Term Bonds	(43,030,000)
Bond Principal Payments	7,615,000
Capital Lease Principal Payments	30,497

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds

Increase in Accrued Interest	(573,289)
Increase in Accrued Compensated Absences	(202,634)
Increase in Other Post Employment Benefit Cost	<u>(3,241,930)</u>

Change in Net Assets of Governmental Activities \$ 51,846,774

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2008

	GENERAL			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues				
Taxes	\$ 61,828,000	\$ 61,828,000	\$ 60,474,820	\$ (1,353,180)
Licenses and Permits	5,461,603	5,461,603	3,894,583	(1,567,020)
Intergovernmental	7,894,349	7,894,349	8,649,634	755,285
Charges for Services	11,649,817	11,649,817	10,568,767	(1,081,050)
Fines and Forfeitures	864,440	864,440	1,029,600	165,160
Interest	705,000	705,000	1,015,196	310,196
Miscellaneous	315,100	315,100	565,823	250,723
Total Revenues	88,718,309	88,718,309	86,198,423	(2,519,886)
Expenditures				
General Government	23,054,464	21,512,717	20,963,806	548,911
Public Safety	39,010,991	39,941,525	38,617,353	1,324,172
Public Works	16,727,486	17,557,837	15,946,656	1,611,181
Public Health	2,665,656	3,067,186	2,975,284	91,902
Public Welfare	471,585	986,085	931,321	54,764
Cultural and Recreation	8,693,301	8,828,337	8,658,731	169,606
Total Expenditures	90,623,483	91,893,687	88,093,151	3,800,536
Excess of Revenues Over (Under) Expenditures	(1,905,174)	(3,175,378)	(1,894,728)	1,280,650
Other Financing Sources (Uses)				
Transfers In	4,957,500	5,812,500	2,251,087	(3,561,413)
Transfers Out	(3,060,572)	(3,060,572)	(2,241,888)	818,684
Total Other Financing Sources (Uses)	1,896,928	2,751,928	9,199	(2,742,729)
Net Change in Fund Balance	(8,246)	(423,450)	(1,885,529)	(1,462,079)
Fund Balance at the Beginning of the Year	21,642,520	21,642,520	21,642,520	-
Fund Balance at the End of the Year	\$ 21,634,274	\$ 21,219,070	\$ 19,756,991	\$ (1,462,079)

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2008

	Garage	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals
ASSETS					
Current Assets					
Cash and Investments with Trustee	\$ 2,169	\$ 1,390,763	\$ 372	\$ 200	\$ 1,393,504
Receivables, Net	313,459	371,112	68,072	479,028	1,231,671
Internal Balances	-	-	(240,000)	240,000	-
Inventories	135,650	109,102	59,515	-	304,267
Prepayments	71,726	-	-	-	71,726
Total Current Assets	523,004	1,870,977	(112,041)	719,228	3,001,168
Capital Assets	417,789	2,431,367	3,967,504	23,121,164	29,937,824
Accumulated Depreciation	(186,611)	(998,813)	(568,124)	(4,849,640)	(6,603,188)
	231,178	1,432,554	3,399,380	18,271,524	23,334,636
Total Assets	\$ 754,182	\$ 3,303,531	\$ 3,287,339	\$ 18,990,752	\$ 26,335,804
LIABILITIES					
Liabilities					
Account Payable	566,007	23,895	82,624	74,018	746,544
Accrued Payroll	1,933	63,682	4,922	37,665	108,202
Current Portion of Advances					
Payable to General Fund	-	-	103,849	1,646,184	1,750,033
Total Current Liabilities	567,940	87,577	191,395	1,757,867	2,604,779
Long Term Liabilities					
Accrued Compensated Absences	145	44,457	1,759	31,050	77,411
Net Other Postemployment Benefits Obligation	2,797	95,104	2,797	39,160	139,858
Advances Payable to General Fund	-	-	-	1,723,652	1,723,652
Total Long Term Liabilities	2,942	139,561	4,556	1,793,862	1,940,921
Total Liabilities	570,882	227,138	195,951	3,551,729	4,545,700
NET ASSETS					
Invested in Capital Assets, Net					
of Related Debt	231,178	1,432,554	3,399,380	16,508,750	21,571,862
Unrestricted (Deficit)	(47,878)	1,643,839	(307,992)	(1,069,727)	218,242
Total Net Assets	\$ 183,300	\$ 3,076,393	\$ 3,091,388	\$ 15,439,023	\$ 21,790,104

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2008

	Garage	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals
Operating Revenues					
Garage Billings	\$ 1,773,853	\$ -	\$ -	\$ -	\$ 1,773,853
Fuel and Oil Sales	3,140,009	-	599,504	-	3,739,513
Stormwater Utility Fees	-	2,910,758	-	-	2,910,758
Stormwater Utility Project Billings	-	316,307	-	-	316,307
Hanger Leases	-	-	-	30,000	30,000
FBO Concessions	-	-	-	22,005	22,005
FBO Fuel Comission	-	-	-	96,985	96,985
Concession Sales	-	-	8,362	-	8,362
Firefighting Fees	-	-	-	267,911	267,911
Landing Fees	-	-	14,894	196,266	211,160
Parking/Taxi Fees	-	-	-	45,245	45,245
Rentals	-	-	106,852	827,399	934,251
Passenger Facilities Charges	-	-	-	101,257	101,257
TSA Revenues	-	-	-	143,211	143,211
Other Charges	-	6,131	8	22,657	28,796
Total Operating Revenues	4,913,862	3,233,196	729,620	1,752,936	10,629,614
Operating Expenses					
Costs of Sales and Services	2,893,750	-	438,114	-	3,331,864
Personnel	52,880	1,677,522	109,969	936,470	2,776,841
Purchased Services	1,793,146	385,734	166,559	579,634	2,925,073
Supplies	11,925	539,600	13,371	54,939	619,835
Depreciation	26,574	293,349	53,412	633,282	1,006,617
Total Operating Expenses	4,778,275	2,896,205	781,425	2,204,325	10,660,230
Operating Income (Loss)	135,587	336,991	(51,805)	(451,389)	(30,616)
Non-Operating Revenues (Expenses)					
FAA Grants	-	-	90,703	864,230	954,933
SCAC Grants	-	-	31,084	18,607	49,691
Non-Operating Grant Expenditures	-	-	(64,224)	(376,873)	(441,097)
Transfers Out	-	-	(63,867)	(1,800,000)	(1,863,867)
Gain (Loss) on Sale of Property and Equipment	270	-	-	-	270
Interest Earned	-	19,681	-	67,079	86,760
Interest Expense	-	-	-	(94,181)	(94,181)
Total Non-Operating Revenues	270	19,681	(6,304)	(1,321,138)	(1,307,491)
Change in Net Assets	135,857	356,672	(58,109)	(1,772,527)	(1,338,107)
Net Assets, Beginning	47,443	2,719,721	3,149,497	17,211,550	23,128,211
Net Assets, Ending	\$ 183,300	\$ 3,076,393	\$ 3,091,388	\$ 15,439,023	\$ 21,790,104

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2008

	Garage	Stormwater Utility	Lady's Island Airport	Hilton Head Airport	Totals
Cash Flows from Operating Activities:					
Cash Received from Customers and Users	\$ 4,861,323	\$ 2,866,009	\$ 877,109	\$ 2,176,480	\$ 10,780,921
Cash Paid to Employees	(49,474)	(1,552,309)	(105,794)	(893,291)	(2,600,868)
Cash Paid to Suppliers	<u>(4,687,834)</u>	<u>(1,008,569)</u>	<u>(828,878)</u>	<u>(1,215,642)</u>	<u>(7,740,923)</u>
	124,015	305,131	(57,563)	67,547	439,130
Cash Flows from Capital and Related Financing Activities:					
FAA Grants	-	-	90,703	864,230	954,933
SCAC Grants	-	-	31,084	18,607	49,691
Non-Operating Grant Expenditures	-	-	(64,224)	(376,873)	(441,097)
Proceeds from Sale of Capital Assets	270	-	-	-	270
Purchase of Capital Assets	(122,116)	(109,556)	-	(126,991)	(358,663)
Principal Payment on Debt	-	-	-	(419,418)	(419,418)
Interest Paid on Debt	-	-	-	(94,181)	(94,181)
	<u>(121,846)</u>	<u>(109,556)</u>	<u>57,563</u>	<u>(134,626)</u>	<u>(308,465)</u>
Cash Flows from Investing Activities:					
Interest Earned	-	19,681	-	67,079	86,760
Net Increase in Cash and Cash Equivalents	2,169	215,256	-	-	217,425
Cash and Cash Equivalents, July 1, 2007	-	1,175,507	372	200	1,176,079
Cash and Cash Equivalents, June 30, 2008	<u>\$ 2,169</u>	<u>\$ 1,390,763</u>	<u>\$ 372</u>	<u>\$ 200</u>	<u>\$ 1,393,504</u>

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2008

	<u>Garage</u>	<u>Stormwater Utility</u>	<u>Lady's Island Airport</u>	<u>Hilton Head Airport</u>	<u>Totals</u>
Reconciliation of Operating Income to Net Cash Flows from Operating Activities:					
Operating Income (Loss)	\$ 135,587	\$ 336,991	\$ (51,805)	\$ (451,389)	\$ (30,616)
Adjustments to Reconcile:					
Depreciation	26,574	293,349	53,412	633,282	1,006,617
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	(52,539)	(367,187)	147,489	423,544	151,307
(Increase) Decrease in Inventories	(64,540)	-	(28,820)	-	(93,360)
Increase (Decrease) in Accounts Payable	75,527	(83,235)	(182,014)	(581,069)	(770,791)
Increase (Decrease) in Accrued Payroll	464	(14,348)	(381)	(27,031)	(41,296)
Increase (Decrease) in Accrued Compensated Absences	145	44,457	1,759	31,050	77,411
Increase (Decrease) in Net Other Postemployment Benefits Obligation	2,797	95,104	2,797	39,160	139,858
	<u>(38,146)</u>	<u>(325,209)</u>	<u>(59,170)</u>	<u>(114,346)</u>	<u>(536,871)</u>
Net Cash Flow from Operating Activities	\$ 124,015	\$ 305,131	\$ (57,563)	\$ 67,547	\$ 439,130

BEAUFORT COUNTY, SOUTH CAROLINA
 STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 June 30, 2008

ASSETS

Cash and Equity in Pooled Cash and Investments

\$ 91,176,012

Total Assets

91,176,012

LIABILITIES

Due to Agency

91,176,012

Total Liabilities

91,176,012

The accompanying notes are an integral part of these financial statements.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

1. Summary of Significant Accounting Policies

The financial statements of Beaufort County, South Carolina, have been prepared in conformity with accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County also applies Financial Accounting Standards Board (FASB) statement and interpretations issued on or before November 30, 1989 to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the government's accounting policies are described below.

Reporting Entity

Beaufort County operates under the Council/Administrator form of government with Council members elected for four-year terms from each of the eleven single-member districts. This report includes all funds of Beaufort County that are controlled by this governing body, and are considered to be the "reporting entity" known as Beaufort County.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from the statements. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type activities for the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources management focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

1. Summary of Significant Accounting Policies – Continued:

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The county wide general obligation bond fund accounts for the expenditures of the bond proceeds of the bonds issued for various capital projects throughout the County.

The sales tax projects fund accounts for the expenditure of the 1% local sales tax referendum proceeds which are used for various capital projects throughout the County.

The real property purchase program fund accounts for the expenditure of bond proceeds of the bonds issued for the purchase of rural and critical lands within the County.

The Bluffton Parkway project fund accounts for the expenditure of the bond proceeds of the bonds issued for the construction of the Bluffton Parkway and for improvements to the Buckwalter Parkway.

The County reports the following major enterprise funds:

The garage fund accounts for the activities of the County's garage operations.

The stormwater utility fund accounts for the activities of the County's stormwater utility operations.

The Lady's Island Airport fund accounts for the activities of the County's airport operations on Lady's Island.

The Hilton Head Island Airport fund accounts for the activities of the County's airport operations on Hilton Head Island.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

1. Summary of Significant Accounting Policies – Continued:

Additionally, the government reports the following fund types:

Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Agency Funds

The agency funds account for monies held on behalf of school districts, special districts, and other agencies that use the County as a depository or property taxes are collected on behalf of the other governments.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's garage function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amount reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating revenues and expenses* from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restriction imposed by creditors, grantors, laws, or regulations of other governments. Net assets invested in capital assets net of related debt were as follows:

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2008

1. Summary of Significant Accounting Policies – Continued:

Net Capital Assets	\$	258,415,419
Less: Current Portion of Long Term Debt		(6,476,701)
Long Term Obligations		(234,008,390)
Add Unspent Bond Proceeds: Sales Tax Projects		22,899,230
Real Property Program		3,130,185
Bluffton Parkway Project		3,630,417
Capital Projects Funds		<u>23,084,878</u>
	\$	<u>70,675,038</u>

Deferred revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Equity in Pooled Cash and Investments - The County maintains a pooled cash and investment account for all funds for accounting and investment purposes. This gives the County the ability to invest idle cash for short periods of time and to earn the most favorable available rate of return. The "equity in pooled cash and investments" represents the amount of pooled cash and investments owned by each fund of the County. Certain individual funds may reflect a cash deficit, from time to time. These cash deficits are not considered an equity transfer since the transfer has not been approved by County Council and is considered to be temporary in nature.

Investments - Investments consist of certificates of deposit and repurchase agreements. With the majority of the County's investments maturing in less than 1 year, all investments are recorded at cost, which approximates market value.

Receivables - All receivables are reported at their gross value and when appropriate, are reduced by the estimated portion that is uncollectible.

Inventories - Inventories consist of fuels and supplies (enterprise funds) and are stated at the lower of "first-in, first-out" cost or market.

Capital Assets - Capital assets purchased or acquired with an original cost of \$3,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is calculated on the straight-line basis starting in the month of purchase/completion over the following estimated useful lives:

Buildings	25 years
Improvements	25 years
Infrastructure	25 years
Equipment	5 – 10 years

Long-Term Obligations – In the government-wide financial statements and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of related debt.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

1. Summary of Significant Accounting Policies – Continued:

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as bond proceeds. Premiums received on debt issuances are reported as interest on investments while discounts and issuance costs are reported as interest and fees expenditures.

Compensated Absences – The County accrues compensated absences and associated employee-related costs when earned by the employee.

Due to and from Other Funds/Internal Balances – Interfund receivables and payables in the fund financial statements and internal balances in the government-wide financial statements arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Revenues – Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied.

Expenditures – Expenditures are recognized when the related fund liability is incurred.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the County's financial position and results of operations and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Budgets and Budgetary Accounting - The County uses GAAP as the basis for its budgeting and uses the following procedures in establishing the budgetary data reflected in the financial statements:

- (1) The County Administrator submits to County Council, prior to June 1, proposed operating, special revenue, debt service, and capital improvement (CIP) budgets for the fiscal year commencing July 1. The operating, special revenue, debt service, and CIP budgets include proposed expenditures, revenues, and financing sources.
- (2) The Council requires such changes to be made as it deems necessary, provided the budget remains in balance and is subject to the notice of hearing requirements of Section 4-9-140 of the South Carolina Statutes.
- (3) Public hearings are held pursuant to Section 4-9-140 of the South Carolina Statutes in order for the Council to adopt the tentative and final budget.
- (4) Prior to July 1, the operating, special revenue, debt service and CIP budgets are legally enacted through passage of an ordinance setting forth anticipated revenues and appropriations by fund.
- (5) The County Administrator or his designee is authorized to transfer funds among operating accounts or among capital accounts within a department. All transfers between departments and programs or between operating and capital accounts must be authorized by the Council in accordance with Section 4-9-140 of the South Carolina Statutes. In accordance with County Ordinance #2006/14, Section 12, amounts of \$10,000 or less can be approved by the Council Chairman and/or Council Finance Committee Chairman; transfers of \$5,000 or less can be approved by the County Administrator and/or his designee.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

1. Summary of Significant Accounting Policies – Continued:

- (6) Formal budgetary integration is employed as a measurement control device for all governmental funds of the County. The level on which expenditures may not legally exceed appropriations is the fund level.
- (7) Budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles.
- (8) Revenues in excess of the current budget ordinance may be expended as directed by the revenue source or for the purpose for which the funds were generated without further approval by County Council, as per Section 14 of County Ordinance #2006/14.

2. Cash and Equity in Pooled Cash and Investments

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. The County does not have a deposit policy for custodial credit risk. At June 30, 2008, the carrying amount of the County's deposits was \$28,151,959 and the bank balance was \$25,146,322. State law requires that all of the County's deposits be covered by FDIC insurance or by collateral held by the pledging financial institutions' trust department in the County's name.

Investments

As of June 30, 2008, the County has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment maturities (in years)</u>	
		<u>Less than 1</u>	<u>1 - 5</u>
US Treasury Obligations	\$ 2,728,847	\$ 2,728,847	\$ -
US Government Agency Obligations	<u>199,149,403</u>	<u>196,140,013</u>	<u>3,009,390</u>
	201,878,250	198,868,860	3,009,390
 South Carolina Local Government Investment Pool	 <u>7,293,974</u>	 <u>7,293,974</u>	 <u>-</u>
	<u>\$209,172,224</u>	<u>\$206,162,834</u>	<u>\$ 3,009,390</u>

Interest Rate Risk

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The County has no investment policy that would further limit its investment choices other than state law. As of June 30, 2008, the underlying security ratings of the County's investment in the South Carolina Local Government Investment Pool (LGIP) may be obtained from the LGIP's complete financial statements. These financial statements may be obtained by writing to the following address:

The State Treasurer's Office
Local Government Investment Pool
Post Office Box 11778
Columbia, SC 29211

The County's investments in U.S. Government Agency Obligations were rated Aa by Moody's Investors Services.

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2008

2. Cash and Equity in Pooled Cash and Investments – Continued:

Concentration of Credit Risk

The County places no limit on the amount the County may invest in any one issuer. As of June 30, 2008, the County had investments with three issuers that exceeded 5% of total investments.

3. Receivables/Due from Other Governments

All property taxes receivable are shown net of allowances for uncollectibles. The County considers all taxes to be collectible; therefore, no allowance for uncollectibles has been established.

The following details receivables -net by fund:

	<u>General Fund</u>	<u>County Wide General Obligation Bonds</u>	<u>Sales Tax Projects</u>
Property Tax Receivable	\$ 745,743	\$ 149,879	\$ -
Licenses and Fees Receivable	74,678	-	-
Accounts Receivable - Other	<u>1,762,774</u>	<u>1,555,611</u>	<u>7,783,702</u>
	<u>\$ 4,063,589</u>	<u>\$ 1,705,490</u>	<u>\$ 7,783,702</u>
	<u>Real Property Program</u>	<u>Bluffton Parkway Project</u>	<u>Nonmajor Governmental Funds</u>
Property Tax Receivable	\$ -	\$ -	\$ 51,458
Licenses and Fees Receivable	-	-	1,443,805
Accounts Receivable - Other	<u>210,000</u>	<u>323,912</u>	<u>1,007,158</u>
	<u>\$ 210,000</u>	<u>\$ 323,912</u>	<u>\$ 2,502,421</u>

Key dates in the property tax cycle for tax year 2007 are as follows:

Assessment Date	2004
Property Taxes Levied	September 3, 2007
Tax Bills Rendered	October 1, 2007
Property Taxes Payable	March 16, 2008
Delinquency Date	March 17, 2008
Tax Sale Dates	October 6 - 7, 2008

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

3. Receivables/Due from Other Governments – Continued:

The following details the due from other governments by fund:

	General Fund	County Wide General Obligation Bonds	Nonmajor Governmental Funds
State Aid to Subdivisions	\$ 2,003,755	\$ 49	\$ -
General Government Programs	746,597	-	184,556
Public Safety Programs	-	-	585,142
Public Works Programs	-	-	1,258,394
Alcohol & Drug Programs	-	-	55,388
Disabilities and Special Needs Programs	-	-	24,488
Public Welfare Programs	-	-	18,881
Cultural & Recreational Programs	-	-	59,515
2005 Bond Projects	-	-	699,538
	<u>\$ 2,750,352</u>	<u>\$ 49</u>	<u>\$ 2,885,902</u>

4. Capital Assets

Governmental Activities

	Balance June 30, 2007	Additions	Disposals or Transfers	Balance June 30, 2008
Capital Assets not Being Depreciated:				
Land & Easements	\$ 54,310,250	\$ 21,574,623	\$ -	\$ 75,884,513
Construction in Progress	<u>29,618,525</u>	<u>33,242,802</u>	<u>47,700,965</u>	<u>15,160,362</u>
Total Capital Assets not Being Depreciated	<u>83,928,775</u>	<u>54,817,065</u>	<u>47,700,965</u>	<u>91,044,875</u>
Other Capital Assets:				
Buildings & Improvements	125,903,725	4,435,711	206,740	130,132,696
Infrastructure	37,016,835	34,727,071	-	71,743,906
Equipment	<u>34,971,638</u>	<u>8,437,590</u>	<u>994,592</u>	<u>42,414,636</u>
Total Other Capital Assets	197,892,198	47,600,372	1,201,332	244,291,238
Accumulated Depreciation –				
Buildings & Improvements	38,414,396	5,029,482	200,218	43,243,660
Accumulated Depreciation –				
Infrastructure	3,724,087	2,174,895	-	5,898,982
Accumulated Depreciation –				
Equipment	<u>25,052,789</u>	<u>3,537,160</u>	<u>811,897</u>	<u>27,778,052</u>
Total Accumulated Depreciation	<u>67,191,272</u>	<u>10,741,537</u>	<u>1,012,115</u>	<u>76,920,694</u>
Other Capital Assets, Net	<u>130,700,926</u>	<u>36,858,835</u>	<u>189,217</u>	<u>167,370,544</u>
Governmental Activities Capital Assets, Net	<u>\$ 214,629,701</u>	<u>\$ 91,675,900</u>	<u>\$47,890,182</u>	<u>\$ 258,415,419</u>

For the capital assets of the governmental activities, depreciation is computed on the straight-line method of depreciation over the estimated useful lives of the assets, which range from five to twenty-five years. Depreciation expense for the year ended June 30, 2008 was \$10,741,537 and the accumulated depreciation as of June 30, 2008 was \$76,920,694.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

4. Capital Assets – Continued:

The depreciation expense was allocated as follows:

General Government	\$ 2,605,845
Public Safety	3,175,223
Public Works	2,887,090
Public Health	80,493
Public Welfare	189,077
Cultural and Recreation	<u>1,803,809</u>
Total	<u>\$10,741,537</u>

Business-Type Activities

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Disposals or Transfers</u>	<u>Balance June 30, 2008</u>
Capital Assets not Being Depreciated:				
Land & Easements	\$ 13,802,425	\$ -	\$ -	\$ 13,802,425
Construction in Progress	<u>63,867</u>	<u>623,634</u>	<u>634,342</u>	<u>53,159</u>
Total Capital Assets not Being Depreciated	<u>13,866,292</u>	<u>623,634</u>	<u>634,342</u>	<u>13,855,584</u>
Other Capital Assets:				
Buildings & Improvements	11,499,363	228,945	-	11,728,308
Equipment	<u>4,411,370</u>	<u>76,559</u>	<u>133,998</u>	<u>4,353,931</u>
Total Other Capital Assets	15,910,733	305,504	133,998	16,082,239
Accumulated Depreciation –				
Buildings & Improvements	3,894,579	469,035	-	4,363,614
Accumulated Depreciation –				
Equipment	<u>1,835,989</u>	<u>537,582</u>	<u>133,998</u>	<u>2,239,573</u>
Total Accumulated Depreciation	<u>5,730,568</u>	<u>1,006,617</u>	<u>133,998</u>	<u>6,603,187</u>
Other Capital Assets, Net	<u>10,180,165</u>	<u>(701,113)</u>	-	<u>9,479,052</u>
Business-Type Activities Capital Assets, Net	<u>\$ 24,046,457</u>	<u>\$ (77,479)</u>	<u>\$ 634,342</u>	<u>\$ 23,334,636</u>

For the capital assets of the business-type activities, depreciation is computed on the straight-line method of depreciation over the estimated useful lives, which range from five to twenty-five years, of the assets. Depreciation expense for the year ended June 30, 2008 was \$989,822 and the accumulated depreciation as of June 30, 2008 was \$6,603,187.

The depreciation expense was allocated as follows:

Garage	\$ 26,574
Stormwater Utility	293,349
Lady's Island Airport	53,412
Hilton Head Airport	<u>633,282</u>
Total	<u>\$1,006,617</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

5. Long-Term Obligations

	Governmental Activities	Business-type Activities
General Obligation Bonds	\$ 177,515,000	\$ -
TIF Revenue Bonds	62,760,000	-
Note Payable	-	1,762,774
Capital Leases	210,091	-
	\$ 240,485,091	\$ 1,762,774

General Obligation Bonds

In June 1999, the County issued \$9,100,000 in General Obligation bonds, bearing interest rates of 4.60% to 5.25% and with varying maturity dates through 2008. The proceeds of these bonds were used for various County projects including the purchase of development rights on Lemon Island, the construction of the Buckwalter Parkway, the minor renovations of various County buildings and park facilities, and other governmental projects within the County. These bonds were retired during the 2008 fiscal year.

In April 2001, the County issued \$30,000,000 in General Obligation bonds, bearing interest rates of 4.375% to 5.25% and with varying maturity dates through 2020. The proceeds of these bonds were used as follows: \$10,000,000 for the purchase of real property programs as approved by referendum in November 2000, \$10,000,000 to pay the bond anticipation notes issued May 2000, and \$10,000,000 for various County projects including the purchase of telecommunications equipment, the construction of additional facilities for the Detention Center, the construction of additional hangars at the Lady's Island Airport, and for other governmental projects within the County.

In May 2002, the County issued \$25,100,000 in General Obligation bonds, bearing interest rates of 3.0% to 4.875% and with varying maturity dates through 2022. The proceeds of these bonds were used as follows: \$10,950,000 to pay off the outstanding bonds and related costs of the 1993 General Obligation issue and \$14,000,000 for various County projects to include the purchase of telecommunications equipment, improvements to various county parks, construction of solid waste drop off centers, and for other government construction projects within the County.

In June 2003, the County issued \$25,500,000 in General Obligation bonds, bearing interest rates of 2.0% to 5.0% and with varying maturities through 2023. The proceeds of these bonds were used as follows: \$10,000,000 for the purchase of real property program as approved by referendum in November 2000, \$5,000,000 for paving and improving roads within the County, and \$10,500,000 for various County projects including the purchase of telecommunications equipment, improvements to various County parks, and for other governmental construction projects within the County.

In November 2004, the County issued \$30,500,000 in General Obligation bonds bearing interest rates of 3.0% to 5.0% and with varying maturities through 2025. The proceeds of these bonds were used as follows: \$20,000,000 for the purchase of real property program as approved by referendum in November 2000, and \$10,500,000 for various County projects including the purchase of various public works and public safety vehicles, improvements to various County parks, and for other governmental construction projects within the County.

In November 2006, the County issued \$17,500,000 in General Obligation bonds bearing interest rates of 3.5% to 8.0% and with varying maturities through 2026. The proceeds of these bonds were used for various County projects.

In December 2006, the County issued \$30,000,000 in General Obligation bonds bearing interest rates of 4.0% to 6.75% and with varying maturities through 2026. The proceeds of these bonds were used to "pay off" the County's Bond Anticipation Notes of \$25,000,000 and provide additional funds for the construction of the Blufton Parkway Project.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

5. Long Term Obligations – Continued:

In September 2007, the County issued \$25,500,000 of General Obligation Bonds bearing interest rates of 4.0% to 5.0% and with varying maturity dates through 2027. \$20,000,000 of the proceeds of these bonds was used for the County's rural and critical lands projects, as approved by referendum in November 2006, and the remaining \$5,500,000 of the proceeds of these bonds was used for the Buckwalter Parkway extension.

In October 2007, the County issued \$17,530,000 of General Obligation Bonds bearing interest rates of 4.0% to 5.0% and with varying maturity dates through 2020. The proceeds of these bonds were used for various County projects.

The 2001, 2002, 2003, 2005, 2006, 2006B, 2007, and 2007B general obligation bonds are collateralized by the full faith and credit of the County and are payable from ad valorem taxes.

General obligation bonds accounted for in the County's Statement of Net Assets consist of the following at June 30, 2008:

<u>Description</u>	<u>Rates and Dates</u>	<u>Maturity</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2008</u>
1999 Improvement Bonds	4.6% - 5.25% 2/1 and 8/1	2008	\$ 9,100,000	\$ -
2001 County Bonds	4.375% - 5.25% 2/1 and 8/1	2020	30,000,000	21,690,000
2002 County Bonds	3.0% - 4.875% 2/1 and 8/1	2022	25,100,000	15,380,000
2003 County Bonds	2.0% - 5.0% 2/1 and 8/1	2023	25,500,000	21,750,000
2005 County Bonds	3.0% - 5.0% 2/1 and 8/1	2025	30,500,000	29,900,000
2006 County Bonds	3.5% - 8.0% 3/1 and 9/1	2026	17,500,000	16,650,000
2006B County Bonds	4.0% - 6.75% 3/1 and 9/1	2026	30,000,000	29,500,000
2007 County Bonds	4.0% - 5.0% 3/1 and 9/1	2026	25,500,000	25,350,000
2007B County Bonds	4.0% - 5.0% 2/1 and 8/1	2026	<u>17,530,000</u>	<u>17,295,000</u>
			<u>\$210,730,000</u>	<u>\$177,515,000</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

5. Long Term Obligations – Continued:

A schedule of the debt service requirements associated with the general obligation bonds follows:

Fiscal Year Ending	2001 Improvement Bonds	2002 County Bonds	2003 County Bonds	2005 County Bonds	2006 County Bonds
2009	\$ 2,493,004	\$ 2,298,225	\$ 1,773,500	\$ 1,667,875	\$ 1,203,313
2010	2,493,079	2,587,025	1,803,250	1,808,875	1,235,813
2011	2,489,869	2,568,525	1,828,312	1,795,875	1,266,563
2012	2,481,019	1,111,525	1,899,563	1,781,875	1,292,563
2013	2,476,519	1,113,681	1,966,563	1,917,250	1,319,000
2014-2018	12,265,857	5,597,375	10,409,815	10,976,750	6,836,125
2019-2023	4,849,425	4,532,175	10,467,939	18,541,250	7,035,250
2024-2027	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,572,500</u>	<u>4,235,750</u>
Total	29,548,772	20,108,531	30,148,943	48,061,750	24,424,377
Less Amount Representing Interest	<u>7,858,772</u>	<u>4,728,531</u>	<u>8,398,943</u>	<u>18,161,750</u>	<u>7,774,377</u>
Net	<u>\$ 21,690,000</u>	<u>\$15,380,000</u>	<u>\$21,750,000</u>	<u>\$29,900,000</u>	<u>\$16,650,000</u>

Fiscal Year Ending	2006B County Bonds	2007 County Bonds	2007B County Bonds	Total
2009	\$ 1,841,250	\$ 1,400,031	\$ 783,500	\$13,760,698
2010	1,917,250	1,514,031	781,900	14,141,223
2011	1,989,250	1,623,031	785,300	14,346,226
2012	2,057,250	1,727,031	2,368,500	14,719,326
2013	2,151,250	1,826,031	2,363,300	15,103,594
2014-2018	11,500,250	10,248,655	11,614,300	79,449,127
2019-2023	14,044,250	11,436,312	4,580,000	75,486,601
2024-2027	<u>8,664,125</u>	<u>9,906,626</u>	<u>-</u>	<u>32,379,001</u>
Total	44,134,875	39,681,748	23,276,800	259,385,796
Less Amount Representing Interest	<u>14,634,875</u>	<u>14,331,778</u>	<u>5,981,800</u>	<u>81,870,796</u>
Net	<u>\$ 29,500,000</u>	<u>\$25,350,000</u>	<u>\$17,295,000</u>	<u>\$177,515,000</u>

Total interest paid on bonds outstanding for the year ended June 30, 2008 was \$6,887,885.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

5. Long Term Obligations – Continued:

The following is a schedule of principal payments for all general obligation bonds:

<u>Fiscal Year Ending</u>	<u>Amount</u>
2009	\$ 5,930,000
2010	6,530,000
2011	7,000,000
2012	7,645,000
2013	8,335,000
2014-2018	51,720,000
2019-2023	60,630,000
2024-2027	<u>29,725,000</u>
Total	\$ <u>177,515,000</u>

Tax Increment Financing Revenue Bonds

In December 2002, the County issued \$40,000,000 in Tax Increment Financing Revenue Bonds for the New River TIF District, bearing interest rates of 3.0% to 5.5% and with varying maturities through 2027. The proceeds of these bonds were used to provide infrastructure and other improvements within the Tax Increment Financing District, including buildings for both the University of South Carolina – Beaufort and the Technical College of the Lowcountry.

In November 2003, the County issued \$23,680,000 in Tax Increment Revenue Bonds for the Bluffton TIF District, bearing interest rates of 2.0% to 5.0% and with varying maturities through 2028. The proceeds of these bonds were used to pay the outstanding bond anticipation note and to provide infrastructure improvements within the Tax Increment Financing District.

The following is a schedule of the debt service requirements:

<u>Fiscal Year Ending</u>	<u>New River TIF</u>	<u>Bluffton TIF</u>	<u>Total</u>
2009	\$ 2,286,382	\$ 1,334,955	\$ 3,621,337
2010	2,546,463	1,395,790	3,950,063
2011	2,813,262	1,489,150	4,302,412
2012	2,993,463	1,575,275	4,568,738
2013	3,172,350	1,731,275	4,903,625
2014-2018	17,506,450	10,048,550	27,555,000
2019-2023	18,226,325	14,221,250	32,447,575
2024-2028	<u>14,934,750</u>	<u>5,582,250</u>	<u>20,517,000</u>
Total	64,479,445	37,386,305	101,865,750
Less Amount Representing Interest	<u>24,929,445</u>	<u>14,176,305</u>	<u>39,105,750</u>
Net	<u>\$39,550,000</u>	<u>\$23,210,000</u>	<u>\$62,760,000</u>

Total interest paid on bonds outstanding for the year ended June 30, 2008 as \$3,118,698.

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2008

5. Long Term Obligations - Continued:

Notes Payable

In September 2000, the County issued a note for \$1,325,000 for the balance owed on the purchase of land for the Hilton Head Island Airport. The note was payable in annual payments of \$205,836, including interest at 5.1% through September 2008, however the note was paid off in full during the 2008 fiscal year.

Advances from the General Fund

In September 2007, the County issued a note for \$1,800,000 for the balance owed for the construction of hangers at the Hilton Head Island Airport. The note was payable in quarterly payments of \$31,634, including interest at 5.0 % through June 2032. The current portion of this note as of June 30, 2008 was \$39,122. Advances from the general fund also included \$1,710,911 at June 30, 2008 for advances for certain operating expenses.

Capital Leases

As of June 30, 2008, the County has one lease-purchase agreement to purchase communication equipment with a lease term of 10 years and an interest rate of 3.95%. The communication equipment under this capital lease is included in the equipment in Note 4.

The following is a schedule of future minimum lease payments under this capital lease, together with the present value of net minimum lease payments at June 30, 2008.

<u>Fiscal Year Ending</u>	<u>Amount</u>
2009	\$ 40,000
2010	40,000
2011	40,000
2012	40,000
2013	40,000
2014	<u>40,000</u>
Total	240,000
Less Amount Representing Interest	<u>29,909</u>
Net	<u>\$ 210,091</u>

The County records capital lease payments as current year expenditures in the fund to which the lease applies. The liability for capital leases and the associated assets are recorded.

Total interest paid on capital leases for the year ended June 30, 2008 was approximately \$9,503 which was recorded as an expenditure in the Special Revenue Fund for E-911 equipment.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

5. Long Term Obligations - Continued:

Governmental Activities Changes in Long-Term Obligations

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2008</u>
General Obligation Bonds	\$ 141,670,000	\$ 43,030,000	\$ 7,185,000	\$177,515,000
TIF Revenue Bonds	63,190,000	-	430,000	62,760,000
Capital Leases	<u>240,588</u>	<u>-</u>	<u>30,497</u>	<u>210,091</u>
Totals	<u>\$ 205,100,588</u>	<u>\$ 43,030,000</u>	<u>\$ 7,645,497</u>	<u>\$240,485,091</u>

Business-Type Activities Changes in Long-Term Obligations

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2008</u>
Notes Payable	<u>\$ 382,191</u>	<u>\$ 1,800,000</u>	<u>\$ 419,417</u>	<u>\$ 1,762,774</u>

Combined Changes in Long-Term Obligations

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2008</u>
General Obligation Bonds	\$ 141,670,000	\$ 43,030,000	\$ 7,185,000	\$177,515,000
TIF Revenue Bonds	63,190,000	-	430,000	62,760,000
Notes Payable	382,191	1,800,000	419,417	1,762,774
Capital Leases	<u>240,588</u>	<u>-</u>	<u>30,497</u>	<u>210,091</u>
Totals	<u>\$ 205,482,779</u>	<u>\$ 44,830,000</u>	<u>\$ 8,064,914</u>	<u>\$242,247,865</u>

Current Portion of Long Term Obligations

The current portion of long term obligations is computed as follows:

General Obligations Bonds	\$ 5,930,000
TIF Revenue Bonds	515,000
Notes Payable	39,122
Capital Leases	<u>31,701</u>
	<u>\$ 6,515,823</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2008

6. Accrued Compensated Absences

The County considers accrued compensated absences to be long term liabilities.

Governmental Activities Changes in Long-Term Obligations

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2008</u>
Accrued Compensated Absences	\$ <u>2,560,606</u>	\$ <u>3,069,788</u>	\$ <u>2,867,154</u>	\$ <u>2,763,240</u>

Business-Type Activities Changes in Long-Term Obligations

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2008</u>
Accrued Compensated Absences	\$ <u>62,289</u>	\$ <u>100,906</u>	\$ <u>85,784</u>	\$ <u>77,411</u>

Note: The business-type activities accrued compensated absences balance at June 30, 2007 was included in accrued payroll.

7. Interfund Transfers

The following interfund transfers were made during the year ended June 30, 2008. These transfers were permanent in nature and as such there are not any anticipated repayments.

<u>Recipient Fund</u>	<u>Transferring Fund</u>	<u>Amount</u>
General Fund	Nonmajor Special Revenue Funds	\$ 451,087
General Fund	Proprietary Funds	1,800,000
Nonmajor Special Revenue Funds	General Fund	2,241,888
Nonmajor Debt Service Funds	Nonmajor Special Revenue Funds	9,632,486
Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	461,925
Nonmajor Capital Projects Funds	Nonmajor Capital Projects Funds	4,191,525
Nonmajor Capital Projects Funds	Proprietary Funds	<u>63,867</u>
		<u>\$ 18,863,867</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2008

8. Segment Information for Business-type Activities

The County maintains four Enterprise Funds which provide garage (vehicle repair), stormwater utility and airport services. Segment information is as follows:

Consolidated Statement of Net Assets:

	<u>Garage</u>	<u>Stormwater Utility</u>	<u>Lady's Island Airport</u>	<u>Hilton Head Airport</u>	<u>Totals</u>
Assets:					
Current Assets	\$ 523,004	\$ 1,870,977	\$ (112,041)	\$ 719,228	\$ 3,001,168
Capital Assets, Net	<u>231,178</u>	<u>1,432,554</u>	<u>3,399,380</u>	<u>18,271,524</u>	<u>23,334,636</u>
Total Assets	<u>\$ 754,182</u>	<u>\$ 3,303,531</u>	<u>\$ 3,287,339</u>	<u>\$ 18,990,752</u>	<u>\$26,335,804</u>
Liabilities:					
Current Liabilities	\$ 567,940	\$ 87,577	\$ 191,395	\$ 1,757,867	\$ 2,604,779
Accrued Compensated Absences	145	44,457	1,759	31,050	77,411
Net Other Postemployment Benefits Obligation	2,797	95,104	2,797	39,160	139,858
Advances Payable to General Fund	-	-	-	<u>1,723,652</u>	<u>1,723,652</u>
Total Liabilities	570,882	227,138	195,951	3,551,729	4,545,700
Net Assets:					
Invested in Capital Assets, Net of Related Debt	231,178	1,432,554	3,399,380	16,508,750	21,571,862
Unrestricted (Deficit)	<u>(47,878)</u>	<u>1,643,839</u>	<u>(307,992)</u>	<u>(1,069,727)</u>	<u>218,242</u>
Total Net Assets	<u>183,300</u>	<u>3,076,393</u>	<u>3,091,388</u>	<u>15,439,023</u>	<u>21,790,104</u>
Total Liabilities and Net Assets	<u>\$ 754,182</u>	<u>\$ 3,303,531</u>	<u>\$ 3,287,339</u>	<u>\$ 18,990,752</u>	<u>\$26,335,804</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

8. Segment Information for Business-type Activities— Continued:

Consolidated Statement of Revenues, Expenses, and Net Assets:

	<u>Garage</u>	<u>Stormwater Utility</u>	<u>Lady's Island Airport</u>	<u>Hilton Head Airport</u>	<u>Totals</u>
Operating Revenues	\$ 4,913,862	\$ 3,233,196	\$ 729,620	\$ 1,752,936	\$ 10,629,614
Cost of Sales and Services	2,893,750	-	438,114	-	3,331,864
Operating Expenses before Depreciation	1,857,951	2,602,856	289,899	1,571,043	6,321,749
Depreciation	<u>26,574</u>	<u>293,349</u>	<u>53,412</u>	<u>633,282</u>	<u>1,006,617</u>
Operating Income (Loss)	<u>\$ 135,587</u>	<u>\$ 336,991</u>	<u>\$ (51,805)</u>	<u>\$ (451,389)</u>	<u>\$ (30,616)</u>
Nonoperating Revenues/ (Expenses):					
FAA Grants	-	-	90,703	864,230	954,933
SCAC Grants	-	-	31,804	18,607	49,691
Nonoperating Grant Expenditures	-	-	(64,224)	(376,873)	(441,097)
Transfers Out	-	-	(63,867)	(1,800,000)	(1,863,867)
Gain (Loss) on Sale of Equipment	270	-	-	-	270
Interest Earned	-	19,681	-	67,079	86,760
Interest Expense	-	-	-	(94,181)	(94,181)
Total Nonoperating Revenues/ (Expenses)	<u>270</u>	<u>19,681</u>	<u>(6,304)</u>	<u>(1,321,138)</u>	<u>(1,307,491)</u>
Change in Net Assets	135,857	356,672	(58,109)	(1,772,527)	(1,338,107)
Net Assets, Beginning	<u>47,443</u>	<u>2,719,721</u>	<u>3,149,497</u>	<u>17,211,550</u>	<u>23,128,211</u>
Net Assets, Ending	<u>\$ 183,300</u>	<u>\$ 3,076,393</u>	<u>\$ 3,091,388</u>	<u>\$ 15,439,023</u>	<u>\$ 21,790,104</u>

Consolidated Statement of Cash Flows:

	<u>Garage</u>	<u>Stormwater Utility</u>	<u>Lady's Island Airport</u>	<u>Hilton Head Airport</u>	<u>Totals</u>
Net Cash Provided (Used) By:					
Operating Activities	124,015	305,131	(57,563)	67,547	439,130
Noncapital Financing Activities	-	-	57,563	(7,635)	49,928
Capital and Related Financing Activities	(121,846)	(109,556)	-	(126,991)	(358,393)
Investing Activities	-	19,681	-	67,079	86,760
Net Increase / (Decrease)	2,169	215,256	-	-	217,425
Beginning Cash and Cash Equivalents	-	1,175,507	372	200	1,176,079
Ending Cash and Cash Equivalents	<u>\$ 2,169</u>	<u>\$ 1,390,763</u>	<u>\$ 372</u>	<u>\$ 200</u>	<u>\$ 1,393,504</u>

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

9. Operating Leases

The County leases certain office space and machinery and equipment under cancelable operating leases. Under the terms of the lease agreements, the County's obligation to continue rental obligations is contingent upon the continued appropriation of funds by the County for that purpose. Total rental expenses for the year ended June 30, 2008 were approximately \$625,000.

The following is a schedule of minimum commitments for operating lease payments:

Fiscal Year Ending	Amount
2009	\$ 417,496
2010	165,902
2011	133,856
2012	44,296
2013	8,774
2014-2026	138
Total	\$ 770,462

10. Deferred Compensation Plans

All state and local government employees can participate in a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, administered by the state public employee retirement system through a state approved nongovernmental third party, permits governmental employees to defer a portion of their salary until future years. The deferred compensation is not available to an employee until termination, retirement, death, or unforeseeable emergency. Contributions by employees under the 457 program totaled \$245,814 for the year ended June 30, 2008. There are no employer contributions made by the County to this plan. Participant account balances are not included in these financial statements.

County employees may participate in a 401(k) deferred compensation plan available to state and local governmental employees through the state public employee retirement system. The 401(k) program is administered by a state approved nongovernmental third party. Contributions by employees under the 401(k) program totaled \$864,928 for the year ended June 30, 2008. There are no employer contributions made by the County to this plan. Participant account balances are not included in these financial statements.

11. Retirement Plans

The Governmental Accounting Standards Board (GASB) issued Statement No. 27 entitled Accounting for Pensions by State and Local Government Employees in November 1994. This Statement supersedes the requirements of GASB Statement No. 5. The following information is provided in order to meet the disclosure requirements prescribed in paragraph 20 of GASB 27.

Substantially all full time, permanent County employees are required by law (Title 9 of the S. C. Code of Laws) to participate in statewide, cost sharing multiple-employer defined benefit pension plans administered by the State Retirement System. Generally all employees, with the exception of law enforcement personnel and certain others, participate in the South Carolina Retirement System (SCRS). Law enforcement personnel and certain other employees participate in the South Carolina Police Officers Retirement System (PORS).

Both the South Carolina Retirement System and Police Officers Retirement System offer retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits, and survivor benefits. The Plans' provisions are established under Title 9 of the SC Code of Laws.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

11. Retirement Plans – Continued:

A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System and Police Officers Retirement System is issued and publicly available by writing the South Carolina Retirement System, P.O. Box 11960, Columbia, SC 29211-1960.

Actuarially established employer contribution rates are as follows:

	<u>Retirement Program</u>				<u>Total</u>
	<u>Normal</u>	<u>Unfunded Accrued Liability</u>	<u>Accidental Death Program</u>	<u>Group Life Insurance Program</u>	
SCRS	5.00%	4.06%	N/A	.15%	9.21%
PORS	8.43%	1.87%	.20%	.20%	10.70%

Contribution rates are developed by the SCRS and PORS using the entry age normal cost method. The normal contribution rate to cover current cost has been determined as a level percentage of payroll. A market related value of plan assets is used for actuarial valuation purposes. Gains and losses are reflected in the unfunded accrued liabilities that are being amortized by regular annual contributions as a level percent of payroll within a 30-year period, assuming 4.25% annual payroll growth for SCRS and PORS.

All employers contribute at the actuarially required contribution rates.

<u>Contribution Information:</u>	<u>SCRS</u>	<u>PORS</u>
Covered Payroll	\$ 32,207,198	\$ 15,038,476
Employee Contributions	2,062,311	977,500
Employee Contribution Rate (Based upon Salary)	6.50%	6.50%
Employer Contribution Rate; Includes Group Life Coverage in both SCRS and PORS and Accidental Death Coverage in PORS (Based upon Salary)	9.06%	10.30%

The County's employer contribution to the SCRS for the years ended June 30, 2008, 2007 and 2006 were \$2,966,289, \$2,309,121, and \$1,994,176 respectively, which are equal to the required contributions.

The County's employer contribution to the PORS for the years ended June 30, 2008, 2007 and 2006 were \$1,609,117, \$1,458,815, and \$1,339,817 respectively, which are equal to the required contributions.

Vesting Requirements:

With five years of service, an employee is entitled to a deferred annuity commencing at age 60 under the SCRS and at age 55 under the PORS.

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2008

11. Retirement Plans – Continued:

Retirement Benefits:

Retirement benefits of participants in the SCRS and the PORS are currently determined as follows:

SCRS - The maximum monthly retirement allowance at age 65 or 30 years' service is generally determined by the following formula:

- Total 12 highest consecutive quarters of salary (divide by 3).
- Multiply the amount by 1.82%.
- Multiply the results by the total months of creditable service.
- Divide results by 12.

PORS - The retirement benefit at age 55 or 25 years' service is generally determined consistent with the aforementioned SCRS formula, except that the average salary is multiplied by 2.14% for Class II members.

Early Retirement - SCRS

<u>Age</u>	<u>Service required</u>	<u>Early Retirement Penalty</u>
at least 60	None	5% for each year of age under 65
55	25	4% for each year of service under 30

Full formula retirement is available with 30 years of service, regardless of age, or age 65.

There are no early retirement provisions under PORS. A member must have 25 years service for full retirement or must be age 55 with 5 years service; both criteria provide for full formula benefit with no reduction.

Employees eligible for service retirement may participate in the Teacher and Retiree Incentive Program (TERI). TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. Effective July 1, 2006, TERI participants who entered the program before July 1, 2005 do not have to contribute SCRS as long as they are covered under the TERI program.

Disability Retirement

In order to receive Disability Retirement benefits, an employee must have 5 years of credited service unless the injury is job related.

Recipients receive a service retirement benefit based upon continued service to age 65 for SCRS and to age 55 for PORS with no change in compensation.

Accidental Death Program

Under this provision of the PORS, an annuity is provided to the surviving spouse (or the specified beneficiary) of a member whose death was while in performance of duty. The annuity would equal 50% of members' compensation at the time of death.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

11. Retirement Plans – Continued:

Group Life Insurance Benefits

A lump-sum payment equal to one year's salary is payable to the beneficiary upon the death of an active member with at least one year of service. There is no service requirement for death resulting from actual performance of duties. Lump-sum payments of up to \$3,000 (SCRS) or \$4,000 (PORS) are payable to a retiree's beneficiary based upon years of service at retirement.

Withdrawal of Employee Contribution

Accumulated contributions and credited interest payable are paid within 6 months but not less than 90 days after termination of all covered employment.

Post Retirement Increase

Annual increases in retirement benefits are calculated at 4% per year, provided the Consumer Price Index (CPI) for the prior calendar year was 3% or higher. If the CPI is less than 3%, CPI is granted. Increases are approved annually subject to compliance with funding policy.

Statewide Plan Actuarial Information

The South Carolina Retirement Systems do not determine separate measurements of assets and pension benefit obligations for individual employers. An actuarial valuation is performed for the systems annually. No changes in actuarial assumptions or benefit provisions have occurred subsequent to July 1, 1995. The interest rate assumption for actuarial purposes is 7.25%. An assumption of future COLA adjustments was removed (SCRS and PORS) and the method of valuing assets was changed from book value to a smoothed market value.

The Systems use a projected benefit method for actuarial valuation with level percentage entry age, normal cost and open-end unfunded accrued liability. At July 1, 2006, based upon the actuarial method used for funding purposes:

	SCRS	PORS
Unfunded Accrued Liability	\$ 9,725,073,000	\$ 530,440,000
Liquidation Period	30 years	18 years

12. Other Post Employment Benefits(OPEB)

Plan Description

The County provides post-retirement health, life and dental care benefits, as per the requirements of a local ordinance, for certain retirees. Substantially all employees who retire under the State retirements plans are eligible to continue their coverage with the County paying 100% of the premium for those with 28 or more years of service, 75% of the premium for those with 20 years to 27 years of service and 50% of the premium for those with 15 years to 20 years of service. On June 9, 2008, the County closed these benefits to all employees hired after June 9, 2008. As of year-end there were 60 employees who had retired with the County and were receiving health insurance benefits.

BEAUFORT COUNTY, SOUTH CAROLINA
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended June 30, 2008

12. Other Post Employment Benefits (OPEB) – Continued:

Funding Policy

The contribution requirements of plan members and the County are established and may be amended by the County. The required contribution is currently based on pay-as-you-go financing requirements. For the year ended June 30, 2008, the County recognized expenditures of \$8,694,422 for current healthcare premiums.

Annual OPEB Cost and Net OPEB Obligation

The County's annual OPEB cost is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB:

Annual Required Contribution	\$ 3,381,788
Interest on Net OPEB Obligation	-
Adjustment to Annual Required Contribution	<u>-</u>
Annual OPEB Cost	3,381,788
Contributions Made	<u>-</u>
Increase in Net OPEB Obligation	3,381,788
Net Obligation – Beginning of Year	<u>-</u>
Net Obligation – End of Year	<u>\$ 3,381,788</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2008 fiscal year were as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2008	\$ 3,381,788	100.0%	\$ 3,381,788

Funded Status and Funding Progress

As of May 6, 2008, the most recent actuarial valuation date, the plan was 0.0% funded. The actuarial accrued liability for benefits was \$34.2 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$34.2 million. The covered payroll (annual payroll of active employees covered by the plan) was approximately \$46,695,744, and the ratio of the UAAL to the covered payroll was 73.2 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

12. Other Post Employment Benefits (OPEB) – Continued:

Funded Status and Funding Progress

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the May 6, 2008 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), which is the blended rate of the expected long-term investment returns on plan assets on the County's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9.00% in 2008 decreasing to the ultimate rate of 5.00% in 2014. Also, the actuarial assumptions included a 3.75% annual salary rate increase and 3.75% for an annual inflation rate. The UAAL is being amortized via the level percentage method, which amortizes the UAAL as a constant percent of payroll. The remaining amortization period at June 30, 2008 was 29 years.

13. Accrued Compensated Absences and Other Benefits

Effective February 15, 1993, Beaufort County adopted a new leave policy for all employees. The TOWP/SCA policy was replaced with a policy granting Personal Leave Days and Personal Disability Leave. Under the new policy, employees were entitled to a maximum Personal Leave balance of 280 hours. Upon termination, employees will be paid for all unused, unpaid Personal Leave up to this maximum. The liability recorded at June 30, 2008, to cover unused, unpaid Personal Leave including fringe benefits totaled \$2,763,940. The entire \$ 2,763,940 is considered a long-term liability.

All leave hours accrued in excess of this Personal Leave maximum were accrued to the employee's Personal Disability leave account. A maximum of 360 hours may be maintained in an employee's Personal Disability leave account. The only accrual to this balance occurs when an employee's Personal Leave account exceeds 280 hours, at which time excess hours are "rolled over" to the Personal Disability leave account. Personal Disability leave is to be used in the case of an extended or life threatening illness. This account can only be used once all accrued hours in the Personal Leave account have been used to a balance of 80 hours or less. The employee must present a doctor's statement verifying the disability or illness in order to utilize his/her Personal Disability leave. Employees with remaining SCA leave balances may retain those balances. The same rules governing the use of Personal Disability leave apply to the use of SCA leave. Upon termination of employment with Beaufort County, no payment for any unused SCA or Personal Disability leave will be made.

The County does not provide post employment health care benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

14. Commitments and Contingencies

On November 22, 1991, the County entered into a 20 year lease agreement with the General Services Administration of the U. S. Government (GSA) for the use of the former Beaufort County Courthouse building by GSA as a Federal Courthouse. Under this agreement, the County renovated the building in accordance with GSA specifications at an approximate cost of \$1,933,744. Financing has been arranged for the funding of these costs and the County has assigned all rights and interest in the lease payments from GSA to the lender. The terms and required payments on the lease are the same as the terms and required payments on the loan. After the payment of the loan and the end of the lease term, the asset will remain as property of the County.

BEAUFORT COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2008

14. Commitments and Contingencies— Continued:

Arbitrage rules - State and local bonds issued after 1984 are subject to arbitrage restrictions as enacted by the Federal Government. To retain the bonds' tax exempt status, local governments must comply with the regulations as adopted by the government expend all of the bond proceeds within designated periods which could be up to three years. The County is in compliance with all arbitrage rules.

As of June 30, 2008, the County has outstanding construction contracts of \$26,847,774.

15. Risk Management and Litigation

The County is exposed to various risks of losses related to torts; thefts of; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The County manages risk through employee educational and prevention programs and through the purchase of casualty and liability insurance. All risk management activities are accounted for in the General Fund.

Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported are considered.

The County is a party to several lawsuits which seek to recover property taxes paid under protest and to overturn property sold at "tax sales." The County's attorney estimates that the amount of actual or potential claims against the County at June 30, 2008 will not materially affect the financial conditions of the County. Therefore, the General Fund contains no provision for estimated claims.

16. Fund Equity Deficits and Subsequent Events

At June 30, 2008, the 2006B bond projects fund had a deficit balance of \$3,877,798 and the accommodations tax program fund had a deficit balance of \$85,490. However, these individual accounts are offset by a positive fund balance in the general fund.

After June 30, 2008, the County entered into several operating leases. The lease payments are reflected in the schedule of minimum commitments for operating lease payments in Note 9.

During November 2008 through January 2009, the County repurchased \$1,670,000 of its Bluffton TIF bonds on the open market for less than par. It is noted that the debt will not be defeased until 2009, when these bonds are cancelled.

**BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
JUNE 30, 2008**

Fiscal Year	Actuarial Valuation Date	Employer Contributions to the Retiree Health Plan	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Simplified Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
2008	5/6/2008	-	-	34,195,432	34,195,432	0.0%	46,695,744	73.2%

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2008

	Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes			
Current Taxes	\$ 55,333,350	\$ 54,559,928	\$ (773,422)
Delinquent Taxes	2,100,000	1,499,918	(600,082)
Automobile Taxes	3,644,650	3,446,226	(198,424)
Penalties	750,000	968,748	218,748
	<u>61,828,000</u>	<u>60,474,820</u>	<u>(1,353,180)</u>
Licenses and Permits			
Building Permits	2,800,000	1,856,655	(943,345)
Electrician Licenses	18,960	17,405	(1,555)
Mobile Home Permits	2,583	2,200	(383)
Marriage Licenses	88,860	82,200	(6,660)
Animal Licenses	10,200	11,723	1,523
Other Licenses	61,000	53,530	(7,470)
Cable Franchise Fees	280,000	340,268	60,268
Business Licenses	2,200,000	1,530,602	(669,398)
	<u>5,461,603</u>	<u>3,894,583</u>	<u>(1,567,020)</u>
Intergovernmental			
State Aid to Subdivisions	6,400,000	6,970,132	570,132
Homestead Exemption	850,000	926,764	76,764
Merchants' Inventory Tax	172,387	172,387	-
Manufacturers Tax	32,500	42,928	10,428
Motor Carrier Tax	50,000	55,506	5,506
Payments in Lieu of Taxes	70,000	93,368	23,368
Veterans Office Stipend	7,070	7,283	213
Emergency Preparedness	26,000	31,601	5,601
Registration and Election	13,500	12,500	(1,000)
Tax Form Stipend	3,143	3,144	1
Salary Supplements	7,875	7,875	-
State Aid to Libraries	241,874	272,108	30,234
Escheat Funds	-	26,280	26,280
Pollution Control Penalties	20,000	27,758	7,758
	<u>7,894,349</u>	<u>8,649,634</u>	<u>755,285</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
Year ended June 30, 2008

	Budget	Actual	Variance Positive (Negative)
Charges for Services			
Register of Deeds Fees	\$ 5,377,000	\$ 4,144,984	\$ (1,232,016)
Sheriff's Fees	80,000	73,337	(6,663)
Probate Court Fees	410,974	418,022	7,048
Magistrates' Civil Fees	219,000	210,205	(8,795)
Clerk of Court Fees	148,500	178,419	29,919
Family Court Fees	352,000	384,427	32,427
Master in Equity Fees	190,000	389,174	199,174
Treasurer's Fees	5,000	9,690	4,690
EMS Fees	1,787,500	1,689,647	(97,853)
Solid Waste Disposal Fees	5,000	10,835	5,835
DSO / Rezoning / CRB Fees	26,418	14,930	(11,488)
Vital Statistics	32,000	35,923	3,923
Animal Shelter Fees	44,700	37,785	(6,915)
Recreation Fees	372,325	431,639	59,314
Sheriff's Service Contracts	2,550,000	2,500,901	(49,099)
Boarding of Prisoners	275	2,287	2,012
Telephone Reimbursements	22,000	18,447	(3,553)
Other Fees and Reimbursements	27,125	18,115	(9,010)
	<u>11,649,817</u>	<u>10,568,767</u>	<u>(1,081,050)</u>
Fines and Forfeitures			
Clerk of Court Fines	9,000	16,629	7,629
Bond Escreatment	-	7,422	7,422
Magistrates' Court Fines	732,000	881,006	149,006
Library Fines	108,440	120,840	12,400
Other Fines	-	44	44
Forfeitures	15,000	3,659	(11,341)
	<u>864,440</u>	<u>1,029,600</u>	<u>165,160</u>
Interest	<u>705,000</u>	<u>1,015,196</u>	<u>310,196</u>
Miscellaneous			
Rental of County Property	156,600	134,282	(22,318)
Sale of County Property	136,000	357,925	221,925
Miscellaneous	22,500	73,616	51,116
	<u>315,100</u>	<u>565,823</u>	<u>250,723</u>
Total Revenues	<u>\$ 88,718,309</u>	<u>\$ 86,198,423</u>	<u>\$ (2,519,886)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures			
General Government			
County Council			
Personnel	\$ 448,938	\$ 478,569	\$ (29,631)
Purchased Services	171,698	153,827	17,871
Supplies	51,482	48,787	2,695
Capital	27,000	26,138	862
Other	<u>26,190</u>	<u>15,000</u>	<u>11,190</u>
	<u>725,308</u>	<u>722,321</u>	<u>2,987</u>
Auditor			
Personnel	578,262	528,085	50,177
Purchased Services	73,593	68,615	4,978
Supplies	<u>13,375</u>	<u>12,117</u>	<u>1,258</u>
	<u>665,230</u>	<u>608,817</u>	<u>56,413</u>
Treasurer			
Personnel	779,161	518,970	260,191
Purchased Services	52,317	45,031	7,286
Supplies	<u>23,574</u>	<u>23,083</u>	<u>491</u>
	<u>855,052</u>	<u>587,084</u>	<u>267,968</u>
Clerk of Court			
Personnel	594,075	564,337	29,738
Purchased Services	339,060	361,060	(22,000)
Supplies	37,887	37,598	289
Capital	<u>48,500</u>	<u>48,484</u>	<u>16</u>
	<u>1,019,522</u>	<u>1,011,479</u>	<u>8,043</u>
Family Court			
Personnel	341,464	302,542	38,922
Purchased Services	75,202	73,403	1,799
Supplies	<u>12,651</u>	<u>9,893</u>	<u>2,758</u>
	<u>429,317</u>	<u>385,838</u>	<u>43,479</u>
Probate Court			
Personnel	740,631	746,811	(6,180)
Purchased Services	76,485	72,826	3,659
Supplies	13,263	13,181	82
Capital	<u>6,750</u>	<u>6,748</u>	<u>2</u>
	<u>837,129</u>	<u>839,566</u>	<u>(2,437)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2008

	Budget	Actual	Variance Positive (Negative)
Coroner			
Personnel	\$ 167,376	\$ 215,355	\$ (47,979)
Purchased Services	113,750	166,594	(52,844)
Supplies	11,450	18,570	(7,120)
	<u>292,576</u>	<u>400,519</u>	<u>(107,943)</u>
Magistrates Court			
Personnel	1,138,822	1,209,744	(70,922)
Purchased Services	372,011	300,897	71,114
Supplies	45,534	58,258	(12,724)
	<u>1,556,367</u>	<u>1,568,899</u>	<u>(12,532)</u>
Master in Equity			
Personnel	232,453	249,918	(17,465)
Purchased Services	8,185	6,982	1,203
Supplies	9,115	9,028	87
	<u>249,753</u>	<u>265,928</u>	<u>(16,175)</u>
General Subsidies	<u>1,169,062</u>	<u>1,200,442</u>	<u>(31,380)</u>
County Administrator			
Personnel	283,089	306,091	(23,002)
Purchased Services	96,644	96,506	138
Supplies	9,193	9,175	18
	<u>388,926</u>	<u>411,772</u>	<u>(22,846)</u>
Housing Coordinator			
Personnel	83,238	85,295	(2,057)
Purchased Services	6,625	2,493	4,132
Supplies	2,550	595	1,955
Other	632,500	190,000	442,500
	<u>724,913</u>	<u>278,383</u>	<u>446,530</u>
Public Information Officer			
Personnel	134,214	126,050	8,164
Purchased Services	33,175	32,335	840
Supplies	13,300	13,291	9
Capital	42,590	32,778	9,812
	<u>223,279</u>	<u>204,454</u>	<u>18,825</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2008

	Budget	Actual	Variance Positive (Negative)
County Attorney			
Personnel	\$ 172,684	\$ 165,751	\$ 6,933
Purchased Services	370,414	372,995	(2,581)
Supplies	<u>14,070</u>	<u>9,830</u>	<u>4,240</u>
	<u>557,168</u>	<u>548,576</u>	<u>8,592</u>
Internal Auditor			
Personnel	150,378	52,548	97,830
Purchased Services	14,750	6,553	8,197
Supplies	<u>8,820</u>	<u>657</u>	<u>8,163</u>
	<u>173,948</u>	<u>59,758</u>	<u>114,190</u>
Public Defender			
Personnel	658,599	680,032	(21,433)
Purchased Services	36,200	24,430	11,770
Supplies	<u>14,228</u>	<u>12,488</u>	<u>1,740</u>
	<u>709,027</u>	<u>716,950</u>	<u>(7,923)</u>
Voter Registration and Elections			
Personnel	553,501	925,181	(371,680)
Purchased Services	170,453	417,520	(247,067)
Supplies	<u>80,803</u>	<u>82,281</u>	<u>(1,478)</u>
	<u>804,757</u>	<u>1,424,982</u>	<u>(620,225)</u>
Assessor			
Personnel	2,082,759	1,914,552	168,207
Purchased Services	128,964	116,413	12,551
Supplies	<u>121,763</u>	<u>133,264</u>	<u>(11,501)</u>
	<u>2,333,486</u>	<u>2,164,229</u>	<u>169,257</u>
Register of Deeds			
Personnel	495,574	498,404	(2,830)
Purchased Services	205,234	201,322	3,912
Supplies	<u>23,279</u>	<u>19,166</u>	<u>4,113</u>
	<u>724,087</u>	<u>718,892</u>	<u>5,195</u>
Risk Management			
Personnel	108,384	116,706	(8,322)
Purchased Services	11,180	11,140	40
Supplies	<u>7,665</u>	<u>7,605</u>	<u>60</u>
	<u>127,229</u>	<u>135,451</u>	<u>(8,222)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2008

	Budget	Actual	Variance Positive (Negative)
Legislative Delegation			
Personnel	\$ 75,550	\$ 72,310	\$ 3,240
Purchased Services	8,150	3,788	4,362
Supplies	<u>1,725</u>	<u>84</u>	<u>1,641</u>
	<u>85,425</u>	<u>76,182</u>	<u>9,243</u>
Zoning and Development			
Personnel	211,080	215,132	(4,052)
Purchased Services	16,510	18,790	(2,280)
Supplies	<u>4,470</u>	<u>4,733</u>	<u>(263)</u>
	<u>232,060</u>	<u>238,655</u>	<u>(6,595)</u>
Planning and Comprehensive Plan			
Personnel	782,668	772,012	10,656
Purchased Services	411,614	206,460	205,154
Supplies	16,127	16,009	118
Capital	<u>18,489</u>	<u>18,469</u>	<u>20</u>
	<u>1,228,898</u>	<u>1,012,950</u>	<u>215,948</u>
GIS			
Personnel	358,392	392,115	(33,723)
Purchased Services	113,413	117,882	(4,469)
Supplies	20,424	14,188	6,236
Capital	<u>13,100</u>	<u>13,032</u>	<u>68</u>
	<u>505,329</u>	<u>537,217</u>	<u>(31,888)</u>
DA-Community Services			
Personnel	216,709	216,350	359
Purchased Services	19,270	11,912	7,358
Supplies	<u>3,248</u>	<u>1,837</u>	<u>1,411</u>
	<u>239,227</u>	<u>230,099</u>	<u>9,128</u>
Staff Services			
Personnel	329,287	337,418	(8,131)
Purchased Services	42,335	36,924	5,411
Supplies	<u>38,093</u>	<u>17,977</u>	<u>20,116</u>
	<u>409,715</u>	<u>392,319</u>	<u>17,396</u>
Employee Services			
Personnel	532,346	505,978	26,368
Purchased Services	158,613	312,484	(153,871)
Supplies	21,785	19,858	1,927
Capital	<u>4,900</u>	<u>4,895</u>	<u>5</u>
	<u>717,644</u>	<u>843,215</u>	<u>(125,571)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 For the Year Ended June 30, 2008

	Budget	Actual	Variance Positive (Negative)
Records Management			
Personnel	\$ 181,585	\$ 170,443	\$ 11,142
Purchased Services	35,266	32,064	3,202
Supplies	14,171	18,496	(4,325)
Capital	<u>71,602</u>	<u>73,416</u>	<u>(1,814)</u>
	<u>302,624</u>	<u>294,419</u>	<u>8,205</u>
Finance			
Personnel	512,841	459,330	53,511
Purchased Services	64,265	100,208	(35,943)
Supplies	<u>29,160</u>	<u>28,661</u>	<u>499</u>
	<u>606,266</u>	<u>588,199</u>	<u>18,067</u>
Purchasing			
Personnel	172,089	127,747	44,342
Purchased Services	41,100	30,396	10,704
Supplies	<u>27,315</u>	<u>20,972</u>	<u>6,343</u>
	<u>240,504</u>	<u>179,115</u>	<u>61,389</u>
Business License			
Personnel	93,606	87,734	5,872
Purchased Services	225,645	125,573	100,072
Supplies	<u>13,720</u>	<u>9,265</u>	<u>4,455</u>
	<u>332,971</u>	<u>222,572</u>	<u>110,399</u>
Management Information Systems			
Personnel	1,264,716	1,347,614	(82,898)
Purchased Services	313,471	305,753	7,718
Supplies	117,578	117,264	314
Capital	<u>106,415</u>	<u>106,402</u>	<u>13</u>
	<u>1,802,180</u>	<u>1,877,033</u>	<u>(74,853)</u>
DA-Public Services			
Personnel	225,151	207,227	17,924
Purchased Services	12,982	5,094	7,888
Supplies	<u>5,605</u>	<u>5,170</u>	<u>435</u>
	<u>243,738</u>	<u>217,491</u>	<u>26,247</u>
Total General Government	<u>21,512,717</u>	<u>20,963,806</u>	<u>548,911</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Public Safety			
Sheriff's Office			
Personnel	\$ 14,504,913	\$ 14,341,061	\$ 163,852
Purchased Services	1,441,245	1,449,591	(8,346)
Supplies	1,361,390	1,414,396	(53,006)
Capital	<u>787,135</u>	<u>815,129</u>	<u>(27,994)</u>
	<u>18,094,683</u>	<u>18,020,177</u>	<u>74,506</u>
Emergency Management			
Personnel	460,287	488,721	(28,434)
Purchased Services	170,846	145,967	24,879
Supplies	35,812	34,018	1,794
Capital	<u>21,966</u>	<u>21,966</u>	<u>-</u>
	<u>688,911</u>	<u>690,672</u>	<u>(1,761)</u>
Communications / Traffic Management			
Personnel	3,339,076	3,002,342	336,734
Purchased Services	2,285,433	2,140,822	144,611
Supplies	276,177	242,728	33,449
Capital	335,195	251,193	84,002
Other	<u>75,000</u>	<u>75,000</u>	<u>-</u>
	<u>6,310,881</u>	<u>5,712,085</u>	<u>598,796</u>
Emergency Medical Services			
Personnel	5,332,593	5,103,130	229,463
Purchased Services	453,188	364,740	88,448
Supplies	415,401	360,560	54,841
Capital	391,308	113,221	278,087
Other	<u>125,000</u>	<u>125,000</u>	<u>-</u>
	<u>6,717,490</u>	<u>6,066,651</u>	<u>650,839</u>
Detention Center			
Personnel	4,441,237	4,438,277	2,960
Purchased Services	1,459,098	1,487,552	(28,454)
Supplies	199,429	198,338	1,091
Capital	<u>18,131</u>	<u>20,598</u>	<u>(2,467)</u>
	<u>6,117,895</u>	<u>6,144,765</u>	<u>(26,870)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2008

	Budget	Actual	Variance Positive (Negative)
Building Codes and Inspections			
Personnel	\$ 1,426,089	\$ 1,461,745	\$ (35,656)
Purchased Services	377,211	319,527	57,684
Supplies	89,256	86,247	3,009
Capital	119,109	115,484	3,625
	<u>2,011,665</u>	<u>1,983,003</u>	<u>28,662</u>
Total Public Safety	<u>39,941,525</u>	<u>38,617,353</u>	<u>1,324,172</u>
Public Works			
Facilities Maintenance			
Personnel	2,599,940	2,393,529	206,411
Purchased Services	2,560,232	2,544,948	15,284
Supplies	597,131	616,687	(19,556)
Capital	287,713	265,942	21,771
	<u>6,045,016</u>	<u>5,821,106</u>	<u>223,910</u>
Public Works			
Personnel	2,073,288	1,913,105	160,183
Purchased Services	513,567	453,185	60,382
Supplies	371,574	456,198	(84,624)
Capital	223,984	216,302	7,682
	<u>3,182,413</u>	<u>3,038,790</u>	<u>143,623</u>
Engineering			
Personnel	1,030,846	952,095	78,751
Purchased Services	65,940	53,361	12,579
Supplies	30,700	39,776	(9,076)
	<u>1,127,486</u>	<u>1,045,232</u>	<u>82,254</u>
Solid Waste / Recycling			
Personnel	1,367,725	1,345,829	21,896
Purchased Services	5,651,489	4,547,558	1,103,931
Supplies	161,708	127,669	34,039
Capital	22,000	20,472	1,528
	<u>7,202,922</u>	<u>6,041,528</u>	<u>1,161,394</u>
Public Works Subsidies	-	-	-
Total Public Works	<u>17,557,837</u>	<u>15,946,656</u>	<u>1,611,181</u>

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Public Health			
Animal Shelter and Control			
Personnel	\$ 567,071	\$ 553,328	\$ 13,743
Purchased Services	77,525	67,239	10,286
Supplies	166,610	169,629	(3,019)
Capital	<u>23,750</u>	<u>23,337</u>	<u>413</u>
	<u>834,956</u>	<u>813,533</u>	<u>21,423</u>
Mosquito Control			
Personnel	882,784	849,703	33,081
Purchased Services	224,847	201,800	23,047
Supplies	589,027	575,953	13,074
Capital	<u>212,032</u>	<u>210,804</u>	<u>1,228</u>
	<u>1,908,690</u>	<u>1,838,260</u>	<u>70,430</u>
Public Health Subsidies	<u>323,540</u>	<u>323,491</u>	<u>49</u>
Total Public Health	<u>3,067,186</u>	<u>2,975,284</u>	<u>91,902</u>
Public Welfare			
Veterans Affairs Office			
Personnel	185,537	189,041	(3,504)
Purchased Services	29,702	22,220	7,482
Supplies	<u>6,689</u>	<u>5,127</u>	<u>1,562</u>
	<u>221,928</u>	<u>216,388</u>	<u>5,540</u>
Department of Social Services			
Personnel	41,357	10,052	31,305
Purchased Services	133,320	120,856	12,464
Supplies	980	525	455
Other	<u>77,000</u>	<u>77,000</u>	<u>-</u>
	<u>252,657</u>	<u>208,433</u>	<u>44,224</u>
Public Welfare Subsidies	<u>511,500</u>	<u>506,500</u>	<u>5,000</u>
Total Public Welfare	<u>986,085</u>	<u>931,321</u>	<u>54,764</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 For the Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Cultural and Recreation			
Parks and Leisure Services			
Personnel	\$ 2,534,126	\$ 2,388,853	\$ 145,273
Purchased Services	1,468,628	1,474,221	(5,593)
Supplies	160,584	176,009	(15,425)
Capital	109,182	111,626	(2,444)
Other	<u>152,000</u>	<u>170,321</u>	<u>(18,321)</u>
	<u>4,424,520</u>	<u>4,321,030</u>	<u>103,490</u>
Libraries			
Personnel	3,113,708	3,037,496	76,212
Purchased Services	485,046	482,270	2,776
Supplies	675,921	693,930	(18,009)
Capital	<u>129,142</u>	<u>124,005</u>	<u>5,137</u>
	<u>4,403,817</u>	<u>4,337,701</u>	<u>66,116</u>
Total Cultural and Recreation	<u>8,828,337</u>	<u>8,658,731</u>	<u>169,606</u>
Total Expenditures	<u>\$ 91,893,687</u>	<u>\$ 88,093,151</u>	<u>\$ 3,800,536</u>



Church of the Cross by Ed Funk

“I had a booth at the 2007 Bluffton Days Festival on Calhoun Street. It was a beautiful day and I decided to take a break during the afternoon and wander on down toward the church of the Cross. The sky was blue with puffy white clouds. When I saw how lovely the church looked I had to take the photo. It is one of my favorite spots due to the fact that it sits on the May River, but also because of its history going back to the Civil war.”

BEAUFORT COUNTY, SOUTH CAROLINA
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2008

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Equity in Pooled Cash and Investments	\$ 31,884,178	\$ 26,798,248	\$ 26,301,971	\$ 84,984,397
Receivables, Net	1,885,531	-	616,890	2,502,421
Due from Other Governments	2,186,364	-	699,538	2,885,902
Prepaid Expenditures	5,868	-	-	5,868
Total Assets	\$ 35,961,941	\$ 26,798,248	\$ 27,618,399	\$ 90,378,588
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts Payable	\$ 721,450	\$ -	\$ 4,533,521	\$ 5,254,971
Accrued Payroll	331,211	-	-	331,211
Due to Others	347,385	-	-	347,385
Deferred Property Tax Revenue	48,430	-	-	48,430
Deferred Revenue	5,622	-	-	5,622
Total Liabilities	1,454,098	-	4,533,521	5,987,619
FUND BALANCE				
Reserved for Encumbrances	1,654,874	-	(1,637,470)	17,404
Reserved for Capital Projects	-	-	24,722,348	24,722,348
Reserved for Debt Service	-	26,798,248	-	26,798,248
Unreserved Fund Balance	32,852,969	-	-	32,852,969
Total Fund Equity	34,507,843	26,798,248	23,084,878	84,390,969
Total Liabilities and Fund Balance	\$ 35,961,941	\$ 26,798,248	\$ 27,618,399	\$ 90,378,588

BEAUFORT COUNTY, SOUTH CAROLINA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 4,148,939	\$ 7,188,021	\$ -	\$ 11,336,960
Licenses and Permits	11,349,933	-	-	11,349,933
Intergovernmental	10,791,454	-	1,049,744	11,841,198
Charges for Services	4,311,877	-	-	4,311,877
Fines and Forfeitures	258,333	-	-	258,333
Interest	494,685	565,176	817,062	1,876,923
Settlements	-	-	6,503,786	6,503,786
Miscellaneous	340,906	740,000	-	1,080,906
Total Revenues	<u>31,696,127</u>	<u>8,493,197</u>	<u>8,370,592</u>	<u>48,559,916</u>
Expenditures				
General Government	3,318,141	-	-	3,318,141
Public Safety	4,012,204	-	-	4,012,204
Public Works	3,558,404	-	-	3,558,404
Public Health	6,673,427	-	-	6,673,427
Public Welfare	621,330	-	-	621,330
Cultural and Recreation	705,935	-	-	705,935
Debt Service - Principal	-	930,000	-	930,000
Debt Service - Interest and Fees	-	4,387,498	-	4,387,498
Capital Projects	-	-	12,690,463	12,690,463
Total Expenditures	<u>18,889,441</u>	<u>5,317,498</u>	<u>12,690,463</u>	<u>36,897,402</u>
Excess of Revenues Over (Under) Expenditures	12,806,686	3,175,699	(4,319,871)	11,662,514
Other Financing Sources (Uses)				
Transfers In	5,211,457	6,019,283	1,285,823	12,516,563
Transfers Out	(10,083,573)	-	(4,653,450)	(14,737,023)
Total Other Financing Sources (Uses)	<u>(4,872,116)</u>	<u>6,019,283</u>	<u>(3,367,627)</u>	<u>(2,220,460)</u>
Net Change in Fund Balance	7,934,570	9,194,982	(7,687,498)	9,442,054
Fund Balance at the Beginning of the Year	<u>26,573,273</u>	<u>17,603,266</u>	<u>30,772,376</u>	<u>74,948,915</u>
Fund Balance at the End of the Year	<u>\$ 34,507,843</u>	<u>\$ 26,798,248</u>	<u>\$ 23,084,878</u>	<u>\$ 84,390,969</u>



Evening Meal by Scott Hansen

“ Some shots just present themselves. I was driving home after a long morning of searching for the right photograph when I passed this horse enjoying his afternoon snack. I just knew I had to stop.”

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 June 30, 2008

	<u>General Government Programs</u>	<u>Public Safety Programs</u>	<u>Public Works Programs</u>
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 10,416,165	\$ 3,434,508	\$ 9,112,592
Receivables, Net	1,009,786	289,253	525,406
Due from Other Governments	184,556	585,142	1,258,394
Prepayments	<u>4,584</u>	<u>199</u>	<u>-</u>
Total Assets	<u>\$ 11,615,091</u>	<u>\$ 4,309,102</u>	<u>\$ 10,896,392</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities			
Accounts Payable	\$ 137,515	\$ 153,654	\$ 168,269
Accrued Payroll	18,393	59,396	5,040
Due to Others	-	291,076	-
Deferred Property Tax Revenues	48,430	-	-
Deferred Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>204,338</u>	<u>504,126</u>	<u>173,309</u>
<u>FUND BALANCE</u>			
Reserved for Encumbrances	4,494	128,046	1,430,402
Reserved for Special Revenue Funds	<u>11,406,259</u>	<u>3,676,930</u>	<u>9,292,681</u>
	<u>11,410,753</u>	<u>3,804,976</u>	<u>10,723,083</u>
Total Liabilities and Fund Balance	<u>\$ 11,615,091</u>	<u>\$ 4,309,102</u>	<u>\$ 10,896,392</u>

<u>Alcohol and Drug Programs</u>	<u>Disabilities and Special Needs Programs</u>	<u>Public Welfare Programs</u>	<u>Cultural and Recreational Programs</u>	<u>Total</u>
\$ -	\$ 589,244	\$ 43,713	\$ 8,287,956	\$ 31,884,178
3,899	3,610	14,622	38,955	1,885,531
55,388	24,488	18,881	59,515	2,186,364
545	540	-	-	5,868
<u>\$ 59,832</u>	<u>\$ 617,882</u>	<u>\$ 77,216</u>	<u>\$ 8,386,426</u>	<u>\$ 35,961,941</u>
\$ 15,830	\$ 120,799	\$ 17,869	\$ 107,514	\$ 721,450
44,002	187,236	4,544	12,600	331,211
-	56,309	-	-	347,385
-	-	-	-	48,430
-	-	5,622	-	5,622
<u>59,832</u>	<u>364,344</u>	<u>28,035</u>	<u>120,114</u>	<u>1,454,098</u>
-	91,932	-	-	1,654,874
-	161,606	49,181	8,266,312	32,852,969
-	253,538	49,181	8,266,312	34,507,843
<u>\$ 59,832</u>	<u>\$ 617,882</u>	<u>\$ 77,216</u>	<u>\$ 8,386,426</u>	<u>\$ 35,961,941</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2008

	General Government Programs		
	Budget	Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 4,241,199	\$ 4,148,939	\$ (92,260)
Licenses and Permits	3,380,000	3,393,613	13,613
Intergovernmental	904,466	872,813	(31,653)
Charge for Services	750,000	964,546	214,546
Fines and Forfeitures	-	71,980	71,980
Interest	21,000	258,754	237,754
Miscellaneous	<u>330,000</u>	<u>306,482</u>	<u>(23,518)</u>
Total Revenues	<u>9,626,665</u>	<u>10,017,127</u>	<u>390,462</u>
Expenditures			
General Government	<u>5,087,367</u>	<u>3,318,141</u>	<u>1,769,226</u>
Total Expenditures	<u>5,087,367</u>	<u>3,318,141</u>	<u>1,769,226</u>
Excess of Revenues Over (Under) Expenditures	4,539,298	6,698,986	2,159,688
Other Financing Sources (Uses)			
Transfers In	128,500	10,000	(118,500)
Transfers Out	<u>(4,935,368)</u>	<u>(5,184,940)</u>	<u>(249,572)</u>
Total Other Financing Sources (Uses)	<u>(4,806,868)</u>	<u>(5,174,940)</u>	<u>(368,072)</u>
Net Change in Fund Balance	(267,570)	1,524,046	1,791,616
Fund Balance at Beginning of Year	<u>9,886,707</u>	<u>9,886,707</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 9,619,137</u>	<u>\$ 11,410,753</u>	<u>\$ 1,791,616</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2008

	Public Safety Programs		
	Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and Permits	\$ 42,500	\$ 38,150	\$ (4,350)
Intergovernmental	1,125,264	1,860,072	734,808
Charge for Services	1,180,620	1,625,329	444,709
Fines for Forfeitures	166,000	186,353	20,353
Interest	-	39,322	39,322
Miscellaneous	110,000	7,666	(102,334)
Total Revenues	2,624,384	3,756,892	1,132,508
Expenditures			
Public Safety	4,838,121	4,012,204	825,917
Total Expenditures	4,838,121	4,012,204	825,917
Excess of Revenues Over (Under) Expenditures	(2,213,737)	(255,312)	1,958,425
Other Financing Sources (Uses)			
Transfers In	2,069,495	669,258	(1,400,237)
Total Other Financing Sources (Uses)	2,069,495	669,258	(1,400,237)
Net Change in Fund Balance	(144,242)	413,946	558,188
Fund Balance at Beginning of Year	3,391,030	3,391,030	-
Fund Balance at End of Year	\$ 3,246,788	\$ 3,804,976	\$ 558,188

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2008

	Public Works Programs		
	Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and Permits	\$ 5,000,000	\$ 5,685,120	\$ 685,120
Intergovernmental	2,090,200	2,501,649	411,449
Charge for Services	1,150,000	1,320,934	170,934
Interest	-	99,794	99,794
Total Revenues	<u>8,240,200</u>	<u>9,607,497</u>	<u>1,367,297</u>
Expenditures			
Public Works	<u>8,463,072</u>	<u>3,558,404</u>	<u>4,904,668</u>
Total Expenditures	<u>8,463,072</u>	<u>3,558,404</u>	<u>4,904,668</u>
Excess of Revenues Over (Under) Expenditures	(222,872)	6,049,093	6,271,965
Other Financing Sources (Uses)			
Transfers In	2,969,569	2,969,569	-
Transfers Out	<u>(3,648,100)</u>	<u>(4,898,633)</u>	<u>(1,250,533)</u>
Total Other Financing Sources (Uses)	<u>(678,531)</u>	<u>(1,929,064)</u>	<u>(1,250,533)</u>
Net Change in Fund Balance	(901,403)	4,120,029	5,021,432
Fund Balance at Beginning of Year	<u>6,603,054</u>	<u>6,603,054</u>	-
Fund Balance at End of Year	<u>\$ 5,701,651</u>	<u>\$ 10,723,083</u>	<u>\$ 5,021,432</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2008

	Public Health - Alcohol and Drug Programs		
	Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 669,863	\$ 740,940	\$ 71,077
Charge for Services	139,800	166,415	26,615
Miscellaneous	-	1,902	1,902
Total Revenues	<u>809,663</u>	<u>909,257</u>	<u>99,594</u>
Expenditures			
Public Health	<u>1,248,689</u>	<u>1,270,830</u>	<u>(22,141)</u>
Total Expenditures	<u>1,248,689</u>	<u>1,270,830</u>	<u>(22,141)</u>
Excess of Revenues Over (Under) Expenditures	(439,026)	(361,573)	77,453
Other Financing Sources (Uses)			
Transfers In	<u>438,746</u>	<u>353,119</u>	<u>(85,627)</u>
Total Other Financing Sources (Uses)	<u>438,746</u>	<u>353,119</u>	<u>(85,627)</u>
Net Change in Fund Balance	(280)	(8,454)	(8,174)
Fund Balance at Beginning of Year	<u>8,454</u>	<u>8,454</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 8,174</u>	<u>\$ -</u>	<u>\$ (8,174)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2008

	<u>Public Health-Disabilities and Special Needs Programs</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 4,091,146	\$ 4,075,202	\$ (15,944)
Charge for Services	185,850	194,153	8,303
Interest	-	9,691	9,691
Miscellaneous	<u>12,050</u>	<u>2,669</u>	<u>(9,381)</u>
Total Revenues	<u>4,289,046</u>	<u>4,281,715</u>	<u>(7,331)</u>
Expenditures			
Public Health	<u>5,837,036</u>	<u>5,402,597</u>	<u>434,439</u>
Total Expenditures	<u>5,837,036</u>	<u>5,402,597</u>	<u>434,439</u>
Excess of Revenues Over (Under) Expenditures	(1,547,990)	(1,120,882)	427,108
Other Financing Sources (Uses)			
Transfers In	1,574,764	1,115,118	(459,646)
Transfers Out	<u>(27,183)</u>	<u>-</u>	<u>27,183</u>
Total Other Financing Sources (Uses)	<u>1,547,581</u>	<u>1,115,118</u>	<u>(432,463)</u>
Net Change in Fund Balance	(409)	(5,764)	(5,355)
Fund Balance at Beginning of Year	<u>259,302</u>	<u>259,302</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 258,893</u>	<u>\$ 253,538</u>	<u>\$ (5,355)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2008

	<u>Public Welfare Programs</u>		Variance Positive (Negative)
	<u>Budget</u>	<u>Actual</u>	
Revenues			
Intergovernmental	\$ 520,821	\$ 470,812	\$ (50,009)
Charge for Services	15,100	16,525	1,425
Miscellaneous	<u>18,000</u>	<u>18,300</u>	<u>300</u>
Total Revenues	<u>553,921</u>	<u>505,637</u>	<u>(48,284)</u>
Expenditures			
Public Welfare	<u>595,921</u>	<u>621,330</u>	<u>(25,409)</u>
Total Expenditures	<u>595,921</u>	<u>621,330</u>	<u>(25,409)</u>
Excess of Revenues Over (Under) Expenditures	(42,000)	(115,693)	(73,693)
Other Financing Sources (Uses)			
Transfers In	<u>42,000</u>	<u>92,000</u>	<u>50,000</u>
Total Other Financing Sources (Uses)	<u>42,000</u>	<u>92,000</u>	<u>50,000</u>
Net Change in Fund Balance	-	(23,693)	(23,693)
Fund Balance at Beginning of Year	<u>72,874</u>	<u>72,874</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 72,874</u>	<u>\$ 49,181</u>	<u>\$ (23,693)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2008

	Cultural and Recreation Programs		
	Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and Permits	\$ 2,356,000	\$ 2,233,050	\$ (122,950)
Intergovernmental	297,000	269,966	(27,034)
Charge for Services	20,000	23,975	3,975
Interest	-	87,124	87,124
Miscellaneous	500	3,887	3,387
Total Revenues	<u>2,673,500</u>	<u>2,618,002</u>	<u>(55,498)</u>
Expenditures			
Cultural and Recreation	<u>2,699,149</u>	<u>705,935</u>	<u>1,993,214</u>
Total Expenditures	<u>2,699,149</u>	<u>705,935</u>	<u>1,993,214</u>
Excess of Revenues Over (Under) Expenditures	(25,649)	1,912,067	1,937,716
Other Financing Sources (Uses)			
Transfers In	<u>11,000</u>	<u>2,393</u>	<u>(8,607)</u>
Total Other Financing Sources (Uses)	<u>11,000</u>	<u>2,393</u>	<u>(8,607)</u>
Net Change in Fund Balance	(14,649)	1,914,460	1,929,109
Fund Balance at Beginning of Year	<u>6,351,852</u>	<u>6,351,852</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 6,337,203</u>	<u>\$ 8,266,312</u>	<u>\$ 1,929,109</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2008

	Totals		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Taxes	\$ 4,241,199	\$ 4,148,939	\$ (92,260)
Licenses and Permits	10,778,500	11,349,933	571,433
Intergovernmental	9,698,760	10,791,454	1,092,694
Charge for Services	3,441,370	4,311,877	870,507
Fines and Forfeitures	166,000	258,333	92,333
Interest	21,000	494,685	473,685
Miscellaneous	470,550	340,906	(129,644)
Total Revenues	<u>28,817,379</u>	<u>31,696,127</u>	<u>2,878,748</u>
Expenditures			
General Government	5,087,367	3,318,141	1,769,226
Public Safety	4,838,121	4,012,204	825,917
Public Works	8,463,072	3,558,404	4,904,668
Public Health	7,085,725	6,673,427	412,298
Public Welfare	595,921	621,330	(25,409)
Cultural and Recreation	2,699,149	705,935	1,993,214
Total Expenditures	<u>28,769,355</u>	<u>18,889,441</u>	<u>9,879,914</u>
Excess of Revenues Over (Under) Expenditures	48,024	12,806,686	12,758,662
Other Financing Sources (Uses)			
Transfers In	7,234,074	5,211,457	(2,022,617)
Transfers Out	(8,610,651)	(10,083,573)	(1,472,922)
Total Other Financing Sources (Uses)	<u>(1,376,577)</u>	<u>(4,872,116)</u>	<u>(3,495,539)</u>
Net Change in Fund Balance	(1,328,553)	7,934,570	9,263,123
Fund Balance at Beginning of Year	<u>26,573,273</u>	<u>26,573,273</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 25,244,720</u>	<u>\$ 34,507,843</u>	<u>\$ 9,263,123</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS - GENERAL GOVERNMENT GRANTS
 For the Year Ended June 30, 2008

	Solicitor Grant	Accommodations Tax Program	Del Webb Development Agreement	Purchase of Real Property Program	Local Accommodations Tax Program
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 4,148,939	\$ -
Licenses and Permits	-	-	113,700	-	668,287
Intergovernmental	29,066	546,740	-	69,024	-
Charge for Services	-	-	-	-	-
Fines and Forfeitures	-	-	13,448	29,116	51,750
Interest	-	-	27,213	10,138	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>29,066</u>	<u>546,740</u>	<u>154,361</u>	<u>4,257,217</u>	<u>720,037</u>
Expenditures					
General Government	-	-	-	-	56,723
Personnel	-	-	278,986	542,723	2,292
Purchased Services	-	-	-	-	1,806
Supplies	29,066	-	-	-	-
Capital	-	-	43,500	-	-
Other	-	556,522	-	-	350,000
Total Expenditures	<u>29,066</u>	<u>556,522</u>	<u>322,486</u>	<u>542,723</u>	<u>410,621</u>
Excess of Revenues Over (Under) Expenditures	-	(9,782)	(168,125)	3,714,494	309,416
Other Financing Sources (Uses)					
Transfers In	-	-	-	-	-
Transfers Out	-	(51,087)	-	(3,733,853)	-
Total Other Financing Sources (Uses)	-	<u>(51,087)</u>	-	<u>(3,733,853)</u>	-
Net Change in Fund Balance	-	(60,869)	(168,125)	(19,359)	309,416
Fund Balance (Deficit) at Beginning of Year	-	<u>(24,821)</u>	<u>1,125,762</u>	<u>2,579,593</u>	<u>1,249,933</u>
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ (85,490)</u>	<u>\$ 957,837</u>	<u>\$ 2,560,234</u>	<u>\$ 1,559,349</u>

Local Hospitality Tax Program	Local Admissions Fee Program	Treasurer Execution Fees	Clerk of Court	Education Assistance Trust	Employer Group Benefit Trust	Public Defender Trust	Reforestation Trust	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,148,939
1,066,743	1,544,883	-	-	-	-	-	-	3,393,613
-	-	-	227,983	-	-	-	-	872,813
-	-	984,546	-	-	-	-	-	984,546
-	-	-	-	-	-	-	71,980	71,980
68,361	56,695	15,594	15,333	54	2,721	712	4,970	258,754
-	-	-	-	-	199,131	70,000	-	306,482
<u>1,135,104</u>	<u>1,601,578</u>	<u>980,140</u>	<u>243,316</u>	<u>54</u>	<u>201,852</u>	<u>70,712</u>	<u>76,950</u>	<u>10,017,127</u>
43,425	43,386	518,970	101,893	-	-	72,514	-	836,911
1,489	1,332	317,109	-	-	13,191	-	5,506	1,162,628
1,483	1,390	22,936	-	-	-	-	-	56,481
-	-	-	-	-	-	-	-	43,500
-	-	-	111,917	4,450	195,732	-	-	1,218,621
<u>46,397</u>	<u>46,108</u>	<u>859,015</u>	<u>213,810</u>	<u>4,450</u>	<u>208,923</u>	<u>72,514</u>	<u>5,506</u>	<u>3,318,141</u>
1,088,707	1,555,470	121,125	29,506	(4,396)	(7,071)	(1,802)	71,444	6,698,986
-	-	-	-	10,000	-	-	-	10,000
<u>(400,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,184,940)</u>
<u>(400,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,174,940)</u>
688,707	555,470	121,125	29,506	5,604	(7,071)	(1,802)	71,444	1,524,046
<u>1,546,700</u>	<u>1,403,666</u>	<u>944,464</u>	<u>420,494</u>	<u>1,054</u>	<u>208,922</u>	<u>59,995</u>	<u>370,745</u>	<u>9,886,707</u>
<u>\$ 2,235,407</u>	<u>\$ 1,959,136</u>	<u>\$ 1,065,589</u>	<u>\$ 450,000</u>	<u>\$ 6,658</u>	<u>\$ 201,851</u>	<u>\$ 58,193</u>	<u>\$ 442,189</u>	<u>\$ 11,410,753</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - PUBLIC SAFETY GRANTS
 For the Year Ended June 30, 2008

	E-911 Telephone Program	Radio Equipment	Public Safety Grant	Emergency Medical Services Grant	Highway 170 Program	Victims Assistance Program	Sheriff's Special Program	School Resource Officer Program
Revenues								
Licenses and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	795,350	25,302	-	49,721	-	329,957
Charge for Services	1,365,730	-	-	-	-	-	146,949	-
Fines and Forfeitures	-	-	-	-	-	186,353	-	-
Interest	17,901	-	-	-	17,104	-	-	-
Miscellaneous	-	7,666	-	-	-	-	-	-
Total Revenues	<u>1,383,631</u>	<u>7,666</u>	<u>795,350</u>	<u>25,302</u>	<u>17,104</u>	<u>236,074</u>	<u>146,949</u>	<u>329,957</u>
Expenditures								
Public Safety								
Personnel	257,650	6,345	-	-	-	337,204	164,137	397,267
Purchased Services	496,172	16	-	-	-	13,258	-	27,778
Supplies	6,543	318	-	12,304	-	12,978	-	5,105
Capital	119,191	-	808,429	18,666	77,445	-	-	20,651
Other	96,336	-	-	-	-	-	-	-
Total Expenditures	<u>975,892</u>	<u>6,679</u>	<u>808,429</u>	<u>30,990</u>	<u>77,445</u>	<u>363,440</u>	<u>164,137</u>	<u>450,801</u>
Net Changes in Fund Balances	407,739	987	(13,079)	(5,688)	(60,341)	(127,366)	(17,188)	(120,844)
Other Financing Sources (Uses)								
Transfers In	-	-	-	5,688	-	43,033	-	84,414
Total Other Financing Sources (Uses)	-	-	-	5,688	-	43,033	-	84,414
Net Change in Fund Balance	407,739	987	(13,079)	-	(60,341)	(84,333)	(17,188)	(36,430)
Fund Balance at Beginning of Year	<u>1,418,658</u>	<u>-</u>	<u>28,321</u>	<u>-</u>	<u>1,367,611</u>	<u>173,043</u>	<u>20,523</u>	<u>36,430</u>
Fund Balance at End of Year	<u>\$ 1,826,397</u>	<u>\$ 987</u>	<u>\$ 15,242</u>	<u>\$ -</u>	<u>\$ 1,307,270</u>	<u>\$ 88,710</u>	<u>\$ 3,335</u>	<u>\$ -</u>

Sheriff's Grant Program	Sheriff's Public Safety Grants	Sheriffs Restricted Drug Award Trust	Sheriff's Drug Seizure Trust	Sheriff's Family Court Trust	Detention Center Trust	Hazardous Materials Trust	Logistics Team	DNA Lab	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,150	\$ -	\$ -	\$ 38,150
154,246	-	-	-	21,764	-	23,732	410,000	50,000	1,860,072
-	-	-	-	-	112,650	-	-	-	1,625,329
-	-	-	-	-	-	-	-	-	186,353
-	-	4	1,836	702	643	530	602	-	39,322
-	-	-	-	-	-	-	-	-	7,666
<u>154,246</u>	<u>-</u>	<u>4</u>	<u>1,836</u>	<u>22,466</u>	<u>113,293</u>	<u>62,412</u>	<u>410,602</u>	<u>50,000</u>	<u>3,766,892</u>
142,975	-	-	-	-	-	15,620	-	91,097	1,412,295
5,923	-	-	-	2,197	-	14,237	205,555	4,796	769,932
8,330	-	-	-	8,390	-	765	20,533	68,050	143,316
40,964	-	-	-	59,429	-	-	-	302,927	1,447,722
-	-	-	-	-	119,249	23,354	-	-	238,939
<u>198,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,016</u>	<u>119,249</u>	<u>53,976</u>	<u>226,088</u>	<u>466,870</u>	<u>4,012,204</u>
(43,946)	-	4	1,836	(47,550)	(5,956)	8,436	184,514	(416,870)	(255,312)
<u>40,580</u>	<u>18,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>476,948</u>	<u>669,258</u>
<u>40,580</u>	<u>18,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>476,948</u>	<u>669,258</u>
(3,366)	18,595	4	1,836	(47,550)	(5,956)	8,436	184,514	60,078	413,946
<u>3,366</u>	<u>-</u>	<u>346</u>	<u>158,695</u>	<u>67,910</u>	<u>52,160</u>	<u>51,771</u>	<u>12,196</u>	<u>-</u>	<u>3,391,030</u>
<u>\$ -</u>	<u>\$ 18,595</u>	<u>\$ 350</u>	<u>\$ 160,531</u>	<u>\$ 20,360</u>	<u>\$ 46,204</u>	<u>\$ 60,207</u>	<u>\$ 196,710</u>	<u>\$ 60,078</u>	<u>\$ 3,804,976</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - PUBLIC WORKS PROGRAMS
For the Year Ended June 30, 2008

	County Road Improvement Program	Oil Collection Grant	Solid Waste/ Recycling Grant	Tire Recycling Gant
Revenues				
Licenses and Permits	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,949,071	19,092	72,164	58,867
Charge for Services	1,320,934	-	-	-
Interest	<u>53,308</u>	<u>-</u>	<u>-</u>	<u>6,067</u>
Total Revenues	<u>3,323,313</u>	<u>19,092</u>	<u>72,164</u>	<u>64,934</u>
Expenditures				
Public Works				
Personnel	121,716	-	-	-
Purchased Services	17,657	4,175	4,324	37,870
Supplies	1,322	-	7,077	14,380
Capital	<u>2,238,187</u>	<u>13,955</u>	<u>56,736</u>	<u>-</u>
Total Expenditures	<u>2,378,882</u>	<u>18,130</u>	<u>68,137</u>	<u>52,250</u>
Excess of Revenues Over (Under) Expenditures	944,431	962	4,027	12,684
Other Financing Sources (Uses)				
Transfers In	2,969,569	-	-	-
Transfers Out	<u>(341,275)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,628,294</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	3,572,725	962	4,027	12,684
Fund Balance at Beginning of Year	<u>2,661,518</u>	<u>1,603</u>	<u>-</u>	<u>477,239</u>
Fund Balance at End of Year	<u>\$ 6,234,243</u>	<u>\$ 2,565</u>	<u>\$ 4,027</u>	<u>\$ 489,923</u>

<u>Barton's Run Agreement</u>	<u>Traffic Impact Analysis Program</u>	<u>Traffic Management Program</u>	<u>Road Impact Fees</u>	<u>Total</u>
\$ 1,800	\$ 60,000	\$ -	\$ 5,623,320	\$ 5,685,120
-	-	402,455	-	2,501,649
-	-	-	-	1,320,934
-	-	-	40,419	99,794
<u>1,800</u>	<u>60,000</u>	<u>402,455</u>	<u>5,663,739</u>	<u>9,607,497</u>
-	-	-	-	121,716
-	-	87,426	196,843	348,295
-	-	315,029	-	337,808
-	-	-	441,707	2,750,585
-	-	<u>402,455</u>	<u>638,550</u>	<u>3,558,404</u>
1,800	60,000	-	5,025,189	6,049,093
-	-	-	-	2,969,569
-	-	-	<u>(4,557,358)</u>	<u>(4,898,633)</u>
-	-	-	<u>(4,557,358)</u>	<u>(1,929,064)</u>
1,800	60,000	-	467,831	4,120,029
<u>40,500</u>	<u>242,555</u>	-	<u>3,179,639</u>	<u>6,603,054</u>
<u>\$ 42,300</u>	<u>\$ 302,555</u>	<u>\$ -</u>	<u>\$ 3,647,470</u>	<u>\$ 10,723,083</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS - ALCOHOL AND DRUG PROGRAMS
 For the Year Ended June 30, 2008

	<u>Central Administration</u>	<u>Safety Action Program</u>	<u>School Intervention Program</u>
Revenues			
Intergovernmental	\$ -	\$ 41,749	\$ 55,048
Charge for Services	-	89,514	-
Miscellaneous	<u>1,601</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>1,601</u>	<u>131,263</u>	<u>55,048</u>
Expenditures			
Public Health			
Personnel	-	149,951	59,929
Purchased Services	139,441	14,900	10,919
Supplies	25,193	6,226	234
Capital	<u>(164,633)</u>	<u>25,371</u>	<u>10,588</u>
Total Expenditures	<u>1</u>	<u>196,448</u>	<u>81,670</u>
Excess of Revenues Over (Under) Expenditures	1,600	(65,185)	(26,622)
Other Financing Sources (Uses)			
Transfers In	<u>(10,054)</u>	<u>65,185</u>	<u>26,622</u>
Total Other Financing Sources (Uses)	<u>(10,054)</u>	<u>65,185</u>	<u>26,622</u>
Net Change in Fund Balance	(8,454)	-	-
Fund Balance at Beginning of Year	<u>8,454</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Community Based Treatment Program	Preventive Education Program	Intensive Outpatient Program	Total
\$ 361,470	\$ 197,943	\$ 84,730	\$ 740,940
76,901	-	-	166,415
-	301	-	1,902
<u>438,371</u>	<u>198,244</u>	<u>84,730</u>	<u>909,257</u>
413,365	194,255	158,282	975,782
34,438	49,178	7,738	256,614
1,668	3,132	1,982	38,435
66,942	36,714	25,017	(1)
<u>516,413</u>	<u>283,279</u>	<u>193,019</u>	<u>1,270,830</u>
(78,042)	(85,035)	(108,289)	(361,573)
<u>78,042</u>	<u>85,035</u>	<u>108,289</u>	<u>353,119</u>
<u>78,042</u>	<u>85,035</u>	<u>108,289</u>	<u>353,119</u>
-	-	-	(8,454)
-	-	-	8,454
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS - DISABILITIES AND SPECIAL NEEDS PROGRAMS
 For the Year Ended June 30, 2008

	Central Adminis- tration	Employed Services Program	Supervised Management Program	Service Coordination Program	Family Support Program	Gift Store Program	Port Royal Residence Program
Revenues							
Intergovernmental	\$ -	\$ 1,000,190	\$ 63,890	\$ 386,840	\$ 19,169	\$ -	\$ 886,522
Charge for Services	-	7,757	-	-	-	-	80,100
Interest	9,691	-	-	-	-	-	-
Miscellaneous	375	100	-	-	-	859	-
Total Revenues	<u>10,066</u>	<u>1,008,047</u>	<u>63,890</u>	<u>386,840</u>	<u>19,169</u>	<u>859</u>	<u>966,622</u>
Expenditures							
Public Health							
Personnel	(1)	1,003,061	44,470	344,762	-	-	1,059,630
Purchased Services	145,739	182,809	1,541	5,783	21,904	-	68,260
Supplies	54,701	93,099	338	11,476	-	-	86,892
Capital	(190,228)	94,360	4,876	25,475	-	-	28,135
Other	-	-	-	-	-	-	-
Total Expenditures	<u>10,211</u>	<u>1,373,329</u>	<u>51,225</u>	<u>387,496</u>	<u>21,904</u>	<u>-</u>	<u>1,242,917</u>
Excess of Revenues Over (Under) Expenditures	(145)	(365,282)	12,665	(656)	(2,735)	859	(276,295)
Other Financing Sources (Uses)							
Transfers In	(9,227)	365,444	(12,666)	656	2,735	-	276,160
Total Other Financing Sources (Uses)	<u>(9,227)</u>	<u>365,444</u>	<u>(12,666)</u>	<u>656</u>	<u>2,735</u>	<u>-</u>	<u>276,160</u>
Net Change in Fund Balance	(9,372)	162	(1)	-	-	859	(135)
Fund Balance at Beginning of Year	<u>9,372</u>	<u>34,003</u>	<u>15,233</u>	<u>-</u>	<u>-</u>	<u>301</u>	<u>41,640</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 34,165</u>	<u>\$ 15,232</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,160</u>	<u>\$ 41,505</u>

Early Intervention Program	Summer Services Program	Community Training Program	Enhanced Services Program	Vacation in your Community	Respite Program	Rehabilitation Program	CTH 1 Program	Total
\$ 235,510	\$ 17,317	\$ 1,069,922	\$ 190,587	\$ 24	\$ 24,946	\$ 131,949	\$ 48,336	\$ 4,075,202
-	-	106,296	-	-	-	-	-	194,153
-	-	-	-	-	-	-	-	9,691
-	1,335	-	-	-	-	-	-	2,669
<u>235,510</u>	<u>18,652</u>	<u>1,176,218</u>	<u>190,587</u>	<u>24</u>	<u>24,946</u>	<u>131,949</u>	<u>48,336</u>	<u>4,281,715</u>
248,201	11,388	1,323,389	15,615	-	4,733	13,024	1,679	4,069,951
8,110	13,580	94,017	203,185	-	19,482	127,382	27,300	919,052
13,813	2,278	110,333	-	-	-	-	-	372,930
26,237	-	39,980	4,918	-	544	3,155	-	37,462
-	-	-	-	-	-	-	3,202	3,202
<u>296,361</u>	<u>27,226</u>	<u>1,567,729</u>	<u>223,718</u>	<u>-</u>	<u>24,759</u>	<u>143,541</u>	<u>32,181</u>	<u>5,402,597</u>
(60,851)	(8,574)	(391,511)	(33,131)	24	187	(11,592)	16,155	(1,120,882)
<u>60,851</u>	<u>8,573</u>	<u>391,513</u>	<u>33,130</u>	<u>-</u>	<u>(187)</u>	<u>11,591</u>	<u>(13,455)</u>	<u>1,115,118</u>
<u>60,851</u>	<u>8,573</u>	<u>391,513</u>	<u>33,130</u>	<u>-</u>	<u>(187)</u>	<u>11,591</u>	<u>(13,455)</u>	<u>1,115,118</u>
-	(1)	2	(1)	24	-	(1)	2,700	(5,764)
-	5,840	111,510	15,785	-	-	25,618	-	259,302
<u>\$ -</u>	<u>\$ 5,839</u>	<u>\$ 111,512</u>	<u>\$ 15,784</u>	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ 25,617</u>	<u>\$ 2,700</u>	<u>\$ 253,538</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - PUBLIC WELFARE PROGRAMS
For the Year Ended June 30, 2008

	<u>Daufuskie Ferry Grant</u>	<u>Sheldon Rehabilitation Project</u>	<u>CDBG Penn Center</u>
Revenues			
Intergovernmental	\$ 50,001	\$ -	\$ 15,300
Charge for Services	-	-	-
Miscellaneous	<u>-</u>	<u>300</u>	<u>-</u>
Total Revenues	<u>50,001</u>	<u>300</u>	<u>15,300</u>
Expenditures			
Public Welfare			
Personnel	-	-	-
Purchased Services	124,694	-	15,300
Supplies	-	-	-
Capital	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>124,694</u>	<u>-</u>	<u>15,300</u>
Excess of Revenues Over (Under) Expenditures	(74,693)	300	-
Other Financing Sources (Uses)			
Transfers In	<u>50,000</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(24,693)	300	-
Fund Balance at Beginning of Year	<u>30,561</u>	<u>500</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 5,868</u>	<u>\$ 800</u>	<u>\$ -</u>

HUD Homes Program	Dale Water Grant	Collaborative Organization for Services to Youth	Total
\$ 124,868	\$ 207,753	\$ 72,890	\$ 470,812
-	-	16,525	16,525
-	-	<u>18,000</u>	<u>18,300</u>
<u>124,868</u>	<u>207,753</u>	<u>107,415</u>	<u>505,637</u>
-	-	98,835	98,835
-	-	45,470	185,464
-	-	4,208	4,208
-	207,955	-	207,955
<u>124,868</u>	-	-	<u>124,868</u>
<u>124,868</u>	<u>207,955</u>	<u>148,513</u>	<u>621,330</u>
-	(202)	(41,098)	(115,693)
-	-	<u>42,000</u>	<u>92,000</u>
-	-	<u>42,000</u>	<u>92,000</u>
-	(202)	902	(23,693)
-	<u>202</u>	<u>41,611</u>	<u>72,874</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,513</u>	<u>\$ 49,181</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS - CULTURAL AND RECREATION PROGRAMS
 For the Year Ended June 30, 2008

	Library Grants	Library Trust	Library Special Trust	Library Impact Fees
Revenues				
Licenses and Permits	\$ -	\$ -	\$ -	\$ 725,911
Intergovernmental	21,740	-	-	-
Charge for Services	-	-	-	-
Interest	-	-	2,495	45,024
Miscellaneous	500	3,387	-	-
Total Revenues	<u>22,240</u>	<u>3,387</u>	<u>2,495</u>	<u>770,935</u>
Expenditures				
Cultural and Recreation				
Personnel	-	-	-	-
Purchased Services	3,575	-	-	-
Supplies	3,865	-	8,295	360,986
Capital	34,776	-	5,672	-
Other	-	21,345	8,948	-
Total Expenditures	<u>42,216</u>	<u>21,345</u>	<u>22,915</u>	<u>360,986</u>
Excess of Revenues Over (Under) Expenditures	(19,976)	(17,958)	(20,420)	409,949
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(19,976)	(17,958)	(20,420)	409,949
Fund Balance at Beginning of Year	<u>75,663</u>	<u>51,508</u>	<u>354,132</u>	<u>3,396,615</u>
Fund Balance at End of Year	<u>\$ 55,687</u>	<u>\$ 33,550</u>	<u>\$ 333,712</u>	<u>\$ 3,806,564</u>

<u>PALS Capital Program</u>	<u>Summer Nutrition Program Grants</u>	<u>State PARD Grants</u>	<u>PALS Impact Fees</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 1,507,139	\$ 2,233,050
-	233,525	14,701	-	269,966
23,975	-	-	-	23,975
184	-	-	39,421	87,124
-	-	-	-	3,887
<u>24,159</u>	<u>233,525</u>	<u>14,701</u>	<u>1,546,560</u>	<u>2,618,002</u>
-	49,442	-	-	49,442
4,734	184,083	-	-	192,392
2,306	-	-	-	375,452
-	-	17,908	-	58,356
-	-	-	-	30,293
<u>7,040</u>	<u>233,525</u>	<u>17,908</u>	<u>-</u>	<u>705,935</u>
17,119	-	(3,207)	1,546,560	1,912,067
-	-	2,393	-	2,393
-	-	2,393	-	2,393
17,119	-	(814)	1,546,560	1,914,460
<u>43,195</u>	<u>-</u>	<u>814</u>	<u>2,429,925</u>	<u>6,351,852</u>
\$ <u>60,314</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,976,485</u>	\$ <u>8,266,312</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 ALL NONMAJOR DEBT SERVICE FUNDS
 June 30, 2008

	New River TIF Bonds	Bluffton TIF Bonds	Bluffton Parkway Bonds	Totals
ASSETS				
Equity in Pooled Cash and Investments	\$ 11,820,641	\$ 13,029,048	\$ 1,948,559	\$ 26,798,248
Receivables, Net	-	-	-	-
Total Assets	\$ 11,820,641	\$ 13,029,048	\$ 1,948,559	\$ 26,798,248
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Property Tax Revenues	-	-	-	-
Total Liabilities	-	-	-	-
FUND BALANCE				
Reserved for Debt Service	11,820,641	13,029,048	1,948,559	26,798,248
Total Liabilities and Fund Balance	\$ 11,820,641	\$ 13,029,048	\$ 1,948,559	\$ 26,798,248

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 ALL NONMAJOR DEBT SERVICE FUNDS
 For the Year Ended June 30, 2008

	New River TIF Bonds		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Taxes	\$ 2,228,000	\$ 6,749,228	\$ 4,521,228
Inteterst	10,000	105,945	95,945
Total Revenues	<u>2,238,000</u>	<u>6,855,173</u>	<u>4,617,173</u>
Expenditures			
Debt Service - Prinicpal	250,000	250,000	-
Debt Service - Interest and Fees	1,988,000	1,986,933	1,067
Total Debt Service Expenditures	<u>2,238,000</u>	<u>2,236,933</u>	<u>1,067</u>
Excess of Revenues Over (Under) Expenditures	-	4,618,240	4,618,240
Other Financing Sources (Uses)			
Transfers In	-	461,925	461,925
Total Other Financing Sources (Uses)	<u>-</u>	<u>461,925</u>	<u>461,925</u>
Net Change in Fund Balance	-	5,080,165	5,080,165
Fund Balance at Beginning of Year	<u>6,740,476</u>	<u>6,740,476</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 6,740,476</u>	<u>\$ 11,820,641</u>	<u>\$ 5,080,165</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR DEBT SERVICE FUNDS
For the Year Ended June 30, 2008

	Bluffton TIF Bonds		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Taxes	\$ 670,000	\$ 438,793	\$ (231,207)
Inteterst	<u>100,000</u>	<u>444,853</u>	<u>344,853</u>
Total Revenues	<u>770,000</u>	<u>883,646</u>	<u>113,646</u>
Expenditures			
Debt Service - Principal	180,000	180,000	-
Debt Service - Interest and Fees	<u>3,590,000</u>	<u>1,139,315</u>	<u>2,450,685</u>
Total Debt Service Expenditures	<u>3,770,000</u>	<u>1,319,315</u>	<u>2,450,685</u>
Excess of Revenues Over (Under) Expenditures	(3,000,000)	(435,669)	2,564,331
Other Financing Sources (Uses)			
Transfers In	<u>3,000,000</u>	<u>3,216,927</u>	<u>216,927</u>
Total Other Financing Sources (Uses)	<u>3,000,000</u>	<u>3,216,927</u>	<u>216,927</u>
Net Change in Fund Balance	-	2,781,258	2,781,258
Fund Balance at Beginning of Year	<u>10,247,790</u>	<u>10,247,790</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 10,247,790</u>	<u>\$ 13,029,048</u>	<u>\$ 2,781,258</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 ALL NONMAJOR DEBT SERVICE FUNDS
 For the Year Ended June 30, 2008

	Bluffton Parkway Bonds		
	Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ 2,000	\$ 14,378	\$ 12,378
Miscellaneous	740,000	740,000	-
Total Revenues	<u>742,000</u>	<u>754,378</u>	<u>12,378</u>
Expenditures			
Debt Service - Principal	525,000	500,000	25,000
Debt Service - Interest and Fees	1,517,000	1,261,250	255,750
Total Debt Service Expenditures	<u>2,042,000</u>	<u>1,761,250</u>	<u>280,750</u>
Excess of Revenues Over (Under) Expenditures	(1,300,000)	(1,006,872)	293,128
Other Financing Sources (Uses)			
Transfers In	1,300,000	2,340,431	1,040,431
Total Other Financing Sources (Uses)	<u>1,300,000</u>	<u>2,340,431</u>	<u>1,040,431</u>
Net Change in Fund Balance	-	1,333,559	1,333,559
Fund Balance at Beginning of Year	<u>615,000</u>	<u>615,000</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 615,000</u>	<u>\$ 1,948,559</u>	<u>\$ 1,333,559</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR DEBT SERVICE FUNDS
For the Year Ended June 30, 2008

	Totals		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Taxes	\$ 2,898,000	\$ 7,188,021	\$ 4,290,021
Interest	112,000	565,176	453,176
Miscellaneous	740,000	740,000	-
Total Revenues	<u>3,750,000</u>	<u>8,493,197</u>	<u>4,743,197</u>
Expenditures			
Debt Service - Principal	955,000	930,000	25,000
Debt Service - Interest and Fees	7,095,000	4,387,498	2,707,502
Total Debt Service Expenditures	<u>8,050,000</u>	<u>5,317,498</u>	<u>2,732,502</u>
Excess of Revenues Over (Under) Expenditures	(4,300,000)	3,175,699	7,475,699
Other Financing Sources (Uses)			
Transfers In	4,300,000	6,019,283	1,719,283
Total Other Financing Sources (Uses)	<u>4,300,000</u>	<u>6,019,283</u>	<u>1,719,283</u>
Net Change in Fund Balance	-	9,194,982	9,194,982
Fund Balance at Beginning of Year	<u>17,603,266</u>	<u>17,603,266</u>	-
Fund Balance at End of Year	<u>\$ 17,603,266</u>	<u>\$ 26,798,248</u>	<u>\$ 9,194,982</u>



Great Blue with Chick by Zeke Jordan

“ I enjoy shooting birds with their young, especially those that mean so much to the Lowcountry. Kinda makes me think we might save our pristine way of life when I see the renewal of our life through our birds.”

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 ALL NONMAJOR CAPITAL PROJECT FUNDS
 June 30, 2008

	<u>New River TIF Projects</u>	<u>Bluffton TIF Projects</u>	<u>Administrative Building Renovations</u>	<u>2001 Bond Projects</u>
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 25,377	\$ 642,839	\$ 6,033,251	\$ 442,658
Receivables, Net	-	485,192	-	-
Due from Other Governments	-	-	-	-
Total Assets	<u>\$ 25,377</u>	<u>\$ 1,128,031</u>	<u>\$ 6,033,251</u>	<u>\$ 442,658</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities				
Accounts Payable	<u>\$ 25,377</u>	<u>\$ 723</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>25,377</u>	<u>723</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>				
Reserved and Reserved for Encumbrances	-	-	-	-
Reserved for Capital Projects (Deficit)	-	<u>1,127,308</u>	<u>6,033,251</u>	<u>442,658</u>
Total Fund Equity	<u>-</u>	<u>1,127,308</u>	<u>6,033,251</u>	<u>442,658</u>
Total Liabilities and Fund Balance	<u>\$ 25,377</u>	<u>\$ 1,128,031</u>	<u>\$ 6,033,251</u>	<u>\$ 442,658</u>

<u>2002 Bond Projects</u>	<u>2003 Bond Projects</u>	<u>2005 Bond Projects</u>	<u>2006 Bond Projects</u>	<u>2006B Bond Projects</u>	<u>Totals</u>
\$ 2,003,771	\$ 373,176	\$ 6,441,598	\$ 10,339,301	\$ -	\$ 26,301,971
-	-	-	131,698	-	616,890
-	-	699,538	-	-	699,538
<u>\$ 2,003,771</u>	<u>\$ 373,176</u>	<u>\$ 7,141,136</u>	<u>\$ 10,470,999</u>	<u>\$ -</u>	<u>\$ 27,618,399</u>
\$ 20,465	\$ -	\$ 321,242	\$ 287,916	\$ 3,877,798	\$ 4,533,521
<u>20,465</u>	<u>-</u>	<u>321,242</u>	<u>287,916</u>	<u>3,877,798</u>	<u>4,533,521</u>
76,647	-	1,100,306	1,063,375	(3,877,798)	(1,637,470)
<u>1,906,659</u>	<u>373,176</u>	<u>5,719,588</u>	<u>9,119,708</u>	<u>-</u>	<u>24,722,348</u>
<u>1,983,306</u>	<u>373,176</u>	<u>6,819,894</u>	<u>10,183,083</u>	<u>(3,877,798)</u>	<u>23,084,878</u>
<u>\$ 2,003,771</u>	<u>\$ 373,176</u>	<u>\$ 7,141,136</u>	<u>\$ 10,470,999</u>	<u>\$ -</u>	<u>\$ 27,618,399</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended June 30, 2008

	New River TIF Projects		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Interest	-	-	-
Settlements	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Capital Projects	<u>766,000</u>	<u>304,159</u>	<u>461,841</u>
Excess of Revenues Over (Under) Expenditures	(766,000)	(304,159)	461,841
Other Financing Sources (Uses)			
Transfers In	766,000	-	(766,000)
Transfers Out	<u>-</u>	<u>(461,925)</u>	<u>(461,925)</u>
Total Other Financing Sources (Uses)	<u>766,000</u>	<u>(461,925)</u>	<u>(1,227,925)</u>
Net Change in Fund Balance	-	(766,084)	(766,084)
Fund Balance at Beginning of Year	<u>766,084</u>	<u>766,084</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 766,084</u>	<u>\$ -</u>	<u>\$ (766,084)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 ALL NONMAJOR CAPITAL PROJECT FUNDS
 For the Year Ended June 30, 2008

	<u>Bluffton TIF Projects</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Interest	-	-	-
Settlements	-	485,192	485,192
Total Revenues	<u>-</u>	<u>485,192</u>	<u>485,192</u>
Expenditures			
Capital Projects	500,000	505,488	(5,488)
Excess of Revenues Over (Under) Expenditures	(500,000)	(20,296)	479,704
Other Financing Sources (Uses)			
Transfers In	500,000	-	(500,000)
Total Other Financing Sources (Uses)	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
Net Change in Fund Balance	-	(20,296)	(20,296)
Fund Balance at Beginning of Year	<u>1,147,604</u>	<u>1,147,604</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,147,604</u>	<u>\$ 1,127,308</u>	<u>\$ (20,296)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 ALL NONMAJOR CAPITAL PROJECT FUNDS
 For the Year Ended June 30, 2008

	<u>Administration Building Renovations</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Interest	-	14,657	14,657
Settlements	-	6,018,594	6,018,594
Total Revenues	<u>-</u>	<u>6,033,251</u>	<u>6,033,251</u>
Expenditures			
Capital Projects	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	-	6,033,251	6,033,251
Other Financing Sources (Uses)			
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	6,033,251	6,033,251
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 6,033,251</u>	<u>\$ 6,033,251</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 ALL NONMAJOR CAPITAL PROJECT FUNDS
 For the Year Ended June 30, 2008

	2001 General Obligation Bond Projects		
	Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Interest	-	7,888	7,888
Settlements	-	-	-
Total Revenues	<u>-</u>	<u>7,888</u>	<u>7,888</u>
Expenditures			
Capital Projects	<u>434,789</u>	<u>19</u>	<u>434,770</u>
Excess of Revenues Over (Under) Expenditures	(434,789)	7,869	442,658
Other Financing Sources (Uses)			
Transfers In	882,618	-	(882,618)
Transfers Out	<u>(447,829)</u>	<u>(447,829)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>434,789</u>	<u>(447,829)</u>	<u>(882,618)</u>
Net Change in Fund Balance	-	(439,960)	(439,960)
Fund Balance at Beginning of Year	<u>882,618</u>	<u>882,618</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 882,618</u>	<u>\$ 442,658</u>	<u>\$ (439,960)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended June 30, 2008

	2002 General Obligation Bond Projects		
	Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Interest	-	29,943	29,943
Settlements	-	-	-
Total Revenues	<u>-</u>	<u>29,943</u>	<u>29,943</u>
Expenditures			
Capital Projects	<u>2,122,730</u>	<u>169,367</u>	<u>1,953,363</u>
Excess of Revenues Over (Under) Expenditures	(2,122,730)	(139,424)	1,983,306
Other Financing Sources (Uses)			
Transfers In	2,688,955	-	(2,688,955)
Transfers Out	<u>(578,100)</u>	<u>(578,100)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,110,855</u>	<u>(578,100)</u>	<u>(2,688,955)</u>
Net Change in Fund Balance	(11,875)	(717,524)	(705,649)
Fund Balance at Beginning of Year	<u>2,700,830</u>	<u>2,700,830</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,688,955</u>	<u>\$ 1,983,306</u>	<u>\$ (705,649)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended June 30, 2008

	<u>2003 General Obligation Bond Projects</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Interest	-	90	90
Settlements	-	-	-
Total Revenues	<u>-</u>	<u>90</u>	<u>90</u>
Expenditures			
Capital Projects	<u>407,148</u>	<u>132,193</u>	<u>274,955</u>
Excess of Revenues Over (Under) Expenditures	(407,148)	(132,103)	275,045
Other Financing Sources (Uses)			
Transfers In	2,621,350	-	(2,621,350)
Transfers Out	<u>(2,969,569)</u>	<u>(2,969,569)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(348,219)</u>	<u>(2,969,569)</u>	<u>(2,621,350)</u>
Net Change in Fund Balance	(755,367)	(3,101,672)	(2,346,305)
Fund Balance at Beginning of Year	<u>3,474,848</u>	<u>3,474,848</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,719,481</u>	<u>\$ 373,176</u>	<u>\$ (2,346,305)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended June 30, 2008

	2005 General Obligation Bond Projects		
	Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ -	\$ 699,538	\$ 699,538
Interest	185,550	400,383	214,833
Settlements	-	-	-
Total Revenues	<u>185,550</u>	<u>1,099,921</u>	<u>914,371</u>
Expenditures			
Capital Projects	<u>7,874,984</u>	<u>1,906,234</u>	<u>5,968,750</u>
Excess of Revenues Over (Under) Expenditures	(7,689,434)	(806,313)	6,883,121
Other Financing Sources (Uses)			
Transfers In	<u>7,450,030</u>	<u>469,384</u>	<u>(6,980,646)</u>
Total Other Financing Sources (Uses)	<u>7,450,030</u>	<u>469,384</u>	<u>(6,980,646)</u>
Net Change in Fund Balance	(239,404)	(336,929)	(97,525)
Fund Balance at Beginning of Year	<u>7,156,823</u>	<u>7,156,823</u>	-
Fund Balance at End of Year	<u>\$ 6,917,419</u>	<u>\$ 6,819,894</u>	<u>\$ (97,525)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
 COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 ALL NONMAJOR CAPITAL PROJECT FUNDS
 For the Year Ended June 30, 2008

	2006 General Obligation Bond Projects		
	Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ 365,000	\$ 133,842	\$ (231,158)
Interest	232,550	364,101	131,551
Settlements	-	-	-
Total Revenues	<u>597,550</u>	<u>497,943</u>	<u>(99,607)</u>
Expenditures			
Capital Projects	<u>15,861,531</u>	<u>5,578,841</u>	<u>10,282,690</u>
Excess of Revenues Over (Under) Expenditures	(15,263,981)	(5,080,898)	10,183,083
Other Financing Sources (Uses)			
Transfers In	15,376,169	816,439	(14,559,730)
Transfers Out	<u>(196,027)</u>	<u>(196,027)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>15,180,142</u>	<u>620,412</u>	<u>(14,559,730)</u>
Net Change in Fund Balance	(83,839)	(4,460,486)	(4,376,647)
Fund Balance at Beginning of Year	<u>14,643,569</u>	<u>14,643,569</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 14,559,730</u>	<u>\$ 10,183,083</u>	<u>\$ (4,376,647)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended June 30, 2008

	2006B General Obligation Bond Projects		
	Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$ -	\$ 216,364	\$ 216,364
Interest	-	-	-
Settlements	-	-	-
Total Revenues	<u>-</u>	<u>216,364</u>	<u>216,364</u>
Expenditures			
Capital projects	<u>16,500,000</u>	<u>4,094,162</u>	<u>12,405,838</u>
Excess of Revenues Over (Under) Expenditures	(16,500,000)	(3,877,798)	12,622,202
Other Financing Sources (Uses)			
Transfers in	<u>16,500,000</u>	-	<u>(16,500,000)</u>
Total Other Financing Sources (Uses)	<u>16,500,000</u>	-	<u>(16,500,000)</u>
Net Change in Fund Balance	-	(3,877,798)	(3,877,798)
Fund Balance at Beginning of Year	-	-	-
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ (3,877,798)</u>	<u>\$ (3,877,798)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING BALANCE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
ALL NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended June 30, 2008

	<u>Totals</u>		Variance Positive (Negative)
	<u>Budget</u>	<u>Actual</u>	
Revenues			
Intergovernmental	\$ 365,000	\$ 1,049,744	\$ 684,744
Interest	418,100	817,062	398,962
Settlements	-	6,503,786	6,503,786
Total Revenues	<u>783,100</u>	<u>8,370,592</u>	<u>7,587,492</u>
Expenditures			
Capital Projects	<u>44,467,182</u>	<u>12,690,463</u>	<u>31,776,719</u>
Excess of Revenues Over (Under) Expenditures	(43,684,082)	(4,319,871)	39,364,211
Other Financing Sources (Uses)			
Transfers In	46,785,122	1,285,823	(45,499,299)
Transfers Out	<u>(4,191,525)</u>	<u>(4,653,450)</u>	<u>(461,925)</u>
Total Other Financing Sources (Uses)	<u>42,593,597</u>	<u>(3,367,627)</u>	<u>(45,961,224)</u>
Net Change in Fund Balance	(1,090,485)	(7,687,498)	(6,597,013)
Fund Balances at Beginning of Year	<u>30,772,376</u>	<u>30,772,376</u>	-
Fund Balance at End of Year	<u>\$ 29,681,891</u>	<u>\$ 23,084,878</u>	<u>\$ (6,597,013)</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<u>Broad Creek Public Service District</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 352,110	\$ 8,443,087	\$ 2,371,275	\$ 6,423,922
Due to Agency:				
Operations	\$ 351,373	\$ 1,429,716	\$ 1,764,787	\$ 16,302
Water/Sewer	737	43,270	40,000	4,007
Debt Service	-	524,788	524,788	-
Capital Projects	-	6,445,313	41,700	6,403,613
	<u>\$ 352,110</u>	<u>\$ 8,443,087</u>	<u>\$ 2,371,275</u>	<u>\$ 6,423,922</u>
<u>Fripp Island Public Service District</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 971,746	\$ 1,358,783	\$ 1,677,966	\$ 652,563
Due to Agency:				
Erosion Control	\$ 112,238	\$ 32	\$ 78,340	\$ 33,930
Water/Sewer	145,186	367,707	365,498	147,395
Debt Service	433,348	500,754	788,885	145,217
Fire Department 1% Funds	59,406	27,658	13,583	73,481
Fire Operations	221,568	462,632	431,660	252,540
	<u>\$ 971,746</u>	<u>\$ 1,358,783</u>	<u>\$ 1,677,966</u>	<u>\$ 652,563</u>
<u>Forest Beach Public Service District</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 244	\$ 277,176	\$ 277,420	\$ -
Due to Agency:				
Operations	\$ 244	\$ -	\$ 244	\$ -
Fire Department 1% Funds	-	270,528	270,528	-
Fire Operations	-	5,913	5,913	-
Fire Debt Service	-	735	735	-
	<u>\$ 244</u>	<u>\$ 277,176</u>	<u>\$ 277,420</u>	<u>\$ -</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
For the Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<u>Hilton Head #1 Public Service District</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 129,609	\$ 9,872,613	\$ 5,155,708	\$ 4,846,514
Due to Agency:				
Operations	\$ 50,094	\$ 897,477	\$ 880,000	\$ 67,571
Water/Sewer	13,677	543,634	530,000	27,311
Debt Service	65,838	468,472	122,578	411,732
Capital Projects	-	7,476,980	3,155,130	4,321,850
Assessment A	-	370,639	360,000	10,639
Assessment B	-	33,289	30,000	3,289
Assessment C	-	82,122	78,000	4,122
	<u>\$ 129,609</u>	<u>\$ 9,872,613</u>	<u>\$ 5,155,708</u>	<u>\$ 4,846,514</u>
<u>South Beach Public Service District</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 12,473	\$ 199,331	\$ 193,714	\$ 18,090
Due to Agency:				
Water/Sewer	\$ -	\$ 184,704	\$ 180,869	\$ 3,835
Debt Service	12,473	1,782	-	14,255
Fire Operations	-	12,229	12,229	-
Fire Debt Service	-	616	616	-
	<u>\$ 12,473</u>	<u>\$ 199,331</u>	<u>\$ 193,714</u>	<u>\$ 18,090</u>
<u>Bluffton Fire District</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 4,099,087	\$ 9,915,994	\$ 8,879,822	\$ 5,135,259
Due to Agency:				
Operations	\$ 1,433,537	\$ 8,538,242	\$ 8,131,576	\$ 1,840,203
Debt Service	511,414	358,030	337,014	532,430
Capital Projects	1,691	-	1,691	-
Fire Department 1% Fund	8,884	248,877	8,025	249,736
Impact Fees	2,143,561	770,845	401,516	2,512,890
	<u>\$ 4,099,087</u>	<u>\$ 9,915,994</u>	<u>\$ 8,879,822</u>	<u>\$ 5,135,259</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
For the Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<u>Burton Fire District</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 1,306,946	\$ 3,849,273	\$ 3,827,836	\$ 1,328,383
Due to Agency:				
Operations	\$ 586,582	\$ 3,391,632	\$ 3,450,500	\$ 527,714
Debt Service	336,027	373,856	368,044	341,839
Fire Department 1% Fund	66,286	38,230	9,292	95,224
Impact Fees	318,051	45,555	-	363,606
	<u>\$ 1,306,946</u>	<u>\$ 3,849,273</u>	<u>\$ 3,827,836</u>	<u>\$ 1,328,383</u>
<u>Daufuskie Island Fire District</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 134,349	\$ 945,621	\$ 1,068,815	\$ 11,155
Due to Agency:				
Operations	\$ -	\$ 837,942	\$ 837,942	\$ -
Debt Service	-	69,124	67,079	2,045
Fire Department 1% Fund	17,066	12,277	24,254	5,089
Impact Fees	117,283	26,278	139,540	4,021
	<u>\$ 134,349</u>	<u>\$ 945,621</u>	<u>\$ 1,068,815</u>	<u>\$ 11,155</u>
<u>Ladys Island/St Helena Island Fire District</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 845,191	\$ 4,170,237	\$ 4,211,587	\$ 803,841
Due to Agency:				
Operations	\$ 288,806	\$ 3,787,456	\$ 3,806,522	\$ 269,740
Debt Service	5,855	207,771	206,946	6,680
Fire Department 1% Fund	89,906	77,914	45,448	122,372
Impact Fees	460,624	97,096	152,671	405,049
	<u>\$ 845,191</u>	<u>\$ 4,170,237</u>	<u>\$ 4,211,587</u>	<u>\$ 803,841</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
For the Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<u>Sheldon Fire District</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 73,913	\$ 1,053,102	\$ 1,007,713	\$ 119,302
Due to Agency:				
Operations	\$ 25,033	\$ 966,847	\$ 932,530	\$ 59,350
Debt Service	16,072	65,641	66,772	14,941
Fire Department 1% Fund	17,920	14,207	8,411	23,716
Impact Fees	14,888	6,407	-	21,295
	<u>\$ 73,913</u>	<u>\$ 1,053,102</u>	<u>\$ 1,007,713</u>	<u>\$ 119,302</u>
<u>City of Beaufort</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ -	\$ 5,266,029	\$ 5,266,029	\$ -
Due to Agency:				
Municipal	\$ -	\$ 4,907,306	\$ 4,907,306	\$ -
Stormwater Fees	-	309,121	309,121	-
Fire Department 1% Fund	-	49,602	49,602	-
	<u>\$ -</u>	<u>\$ 5,266,029</u>	<u>\$ 5,266,029</u>	<u>\$ -</u>
<u>Town of Port Royal</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ -	\$ 2,742,705	\$ 2,742,705	\$ -
Due to Agency:				
Municipal	\$ -	\$ 2,618,673	\$ 2,618,673	\$ -
Stormwater Fees	-	111,594	111,594	-
Fire Department 1% Fund	-	12,438	12,438	-
	<u>\$ -</u>	<u>\$ 2,742,705</u>	<u>\$ 2,742,705</u>	<u>\$ -</u>
<u>Town of Bluffton</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 64,532	\$ 4,399,854	\$ 4,464,386	\$ -
Due to Agency:				
Municipal	\$ 64,532	\$ 4,003,013	\$ 4,067,545	\$ -
Stormwater Fees	-	396,841	396,841	-
	<u>\$ 64,532</u>	<u>\$ 4,399,854</u>	<u>\$ 4,464,386</u>	<u>\$ -</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
For the Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<u>Town of Yemassee</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 364	\$ 15,835	\$ 16,118	\$ 81
Due to Agency:				
Municipal	\$ 364	\$ 15,703	\$ 15,986	\$ 81
Fire Department 1% Fund	-	132	132	-
	<u>\$ 364</u>	<u>\$ 15,835</u>	<u>\$ 16,118</u>	<u>\$ 81</u>
<u>Town of Hilton Head</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 5,020	\$ 22,841,701	\$ 22,840,446	\$ 6,275
Due to Agency:				
Municipal	\$ -	\$ 20,981,008	\$ 20,981,008	\$ -
Stormwater Fees	-	1,516,224	1,516,224	-
Fire Operations	-	19,857	19,857	-
Fire Debt Service	5,020	1,255	-	6,275
Fire Department 1% Fund	-	323,357	323,357	-
	<u>\$ 5,020</u>	<u>\$ 22,841,701</u>	<u>\$ 22,840,446</u>	<u>\$ 6,275</u>
<u>Beaufort-Jasper Academy for Career Excellence</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 431,031	\$ 4,287,395	\$ 4,196,634	\$ 521,792
Due to Agency:				
General	\$ 245,460	\$ 3,742,751	\$ 3,723,508	\$ 264,703
Special Revenue Funds	185,571	508,913	437,395	257,089
Capital Projects	-	-	-	-
Education Improvement Act	-	35,731	35,731	-
	<u>\$ 431,031</u>	<u>\$ 4,287,395</u>	<u>\$ 4,196,634</u>	<u>\$ 521,792</u>

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
For the Year Ended June 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<u>Beaufort County School District</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 92,399,830	\$ 280,193,166	\$ 311,547,382	\$ 61,045,614
Due to Agency:				
General	\$ 19,215,952	\$ 178,582,611	\$ 186,337,089	\$ 11,461,474
Special Revenue Funds	-	14,816,617	14,816,243	374
Debt Service	6,487,918	41,004,683	39,347,512	8,145,089
Capital Projects	1,916,867	11,774,270	618,080	13,073,057
School Lunch Program	1,042,104	4,604,154	4,470,688	1,175,570
School 8% Projects	5,663,284	4,917,051	(4,650,959)	15,231,294
Education Improvement Act	6,690,557	13,497,701	13,896,736	6,291,522
8% BANS	19,270,804	727,134	18,931,705	1,066,233
Facilities 2000	2,072,711	-	2,072,711	-
Facilities 2005	30,039,633	1,227,580	31,266,692	521
Facilities 2007	-	9,041,365	4,440,885	4,600,480
	<u>\$ 92,399,830</u>	<u>\$ 280,193,166</u>	<u>\$ 311,547,382</u>	<u>\$ 61,045,614</u>
<u>Special Assessments</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 167,480	\$ 95,934	\$ 147,002	\$ 116,412
Due to Agency:				
Burlington Estates	\$ 15,850	\$ 1,053	\$ -	\$ 16,903
Burlington Land	11,590	771	-	12,361
Cedarcrest	35,144	34,177	65,000	4,321
Kings Grant II	12,436	1,449	-	13,885
O'Neal Place	9,542	614	-	10,156
Pleasant Farm	309	18,948	18,927	330
Robin Wood	12,771	856	-	13,627
Seabrook	58,699	37,464	63,075	33,088
Woodland Estates	11,139	602	-	11,741
	<u>\$ 167,480</u>	<u>\$ 95,934</u>	<u>\$ 147,002</u>	<u>\$ 116,412</u>
<u>Indigent Health Care</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ -	\$ 2,398,613	\$ 2,398,613	\$ -
Due to Agency:				
General	\$ -	\$ 2,398,613	\$ 2,398,613	\$ -

BEAUFORT COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
For the Year Ended June 30, 2008

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
<u>Continuing Education</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ -	\$ 4,861,661	\$ 4,861,661	\$ -
Due to Agency:				
General	\$ -	\$ 4,861,661	\$ 4,861,661	\$ -
<u>Departmentally Held Funds</u>				
Assets:				
Equity in Pooled Cash and Investments	\$ 10,479,902	\$ 17,955,509	\$ 18,288,602	\$ 10,146,809
Due to Agency:				
Clerk of Court	\$ 4,008,028	\$ 1,026,337	\$ 533,616	\$ 4,500,749
Master in Equity - Foreclosures	545,010	4,902,626	4,708,025	739,611
Register of Deeds - Bonds	1,120,134	-	636,346	483,788
Treasurer - JPC Escrow	500,624	27,774	230,331	298,067
Treasurer - Bankruptcy Escrow	157,581	20,409	16,065	161,925
Treasurer - Surplus Tax Escrow	4,148,525	11,978,363	12,164,219	3,962,669
	<u>\$ 10,479,902</u>	<u>\$ 17,955,509</u>	<u>\$ 18,288,602</u>	<u>\$ 10,146,809</u>
Total - All Agency Funds				
Assets:				
Equity in Pooled Cash and Investments	\$ 111,473,827	\$ 385,143,619	\$ 405,441,434	\$ 91,176,012
Due to Agency:				
General	\$ 111,473,827	\$ 385,143,619	\$ 405,441,434	\$ 91,176,012

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF FINES, FEES, ASSESSMENTS AND SURCHARGES
For the Year Ended June 30, 2008

Clerk of Court Fines, Fees, Assessments and Surcharges

Remitted to the State Treasurer	\$ 527,539
Remitted to Other Agencies	100,053
Retained by the County	<u>202,470</u>
Total Fines, Fees, Assessments and Surcharges Collected	\$ <u>830,062</u>

Magistrate Courts Fines, Fees, Assessments and Surcharges

Remitted to the State Treasurer	\$ 1,417,753
Remitted to Other Agencies	17,905
Retained by the County	<u>1,089,110</u>
Total Fines, Fees, Assessments and Surcharges Collected	\$ <u>2,524,768</u>

Victims Assistance Services

Funds Carried Forward from Prior Years	\$ 173,043
Fees and Assessments from the Clerk of Court	36,707
Fees and Assessments from the Magistrate Courts	149,646
Town of Hilton Head Allocation	49,721
County General Fund Allocation	<u>43,033</u>
Funds Allocated to Victim Assistance Services	452,150
Victim Assistance Expenditures	<u>(363,440)</u>
Funds Available for Carryforward	\$ <u>88,710</u>



Loggerhead Lifeline by Jill Bolin

“The joy of watching baby loggerhead turtles emerge from the sand is indescribable. Yet we are at risk of losing this wonder of nature from our beaches. The effort of our volunteers and park service is truly a lifeline for holding on to this integral part of our Beaufort County identity.”

SINGLE AUDIT SECTION



White Ibis on the 6th Green by Alan Sprules

This flock of white ibis on the 6th green at Bear Creek Golf Course descended after a heavy downpour, checked out the green and, after a few minutes, took flight. 50 birdies on a single hole? A golfer's dream.

BEAUFORT COUNTY, SOUTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2008

	Federal CFDA Number	Federal Award Expended
Direct Federal Grants:		
U.S. Department of Transportation		
Federal Aviation Administration		
Airport Improvement Program		
Ladys Island Airport - #3-45-0008-08	20.106	192,029
Ladys Island Airport - #3-45-0008-09	20.106	77,408
Hilton Head Airport - #3-45-0030-24	20.106	441,328
Hilton Head Airport - #3-45-0030-25	20.106	349,330
Hilton Head Airport - #3-45-0030-26	20.106	305,643
Hilton Head Airport - #3-45-0030-27	20.106	103,106
Hilton Head Airport - TSA	20.106	143,211
US Department of Housing and Urban Development		
Housing and Urban Development		
M06-DC450210	14.239	124,868
Federal Pass - Through Grants:		
Federal Emergency Management Agency		
Passed through Office of the SC Adjutant General		
FEMA 1509-DR-SC	97.039	29,497
6EMPG01	97.067	46,438
7EMPG01	97.067	25,453
7EMPG02	97.067	12,485
8EMPG01	97.067	4,918
6CCP01	97.067	8,880
HMESC 6042120	20.703	1,864
HMESC 7042120	20.703	21,868
Homeland Security Grants Administration		
Passed through SC Law Enforcement Division		
6SHSP10	97.004	337,814
US Department of Agriculture		
Passed through SC Department of Social Services		
Summer Food Services for Children	10.559	119,730
Summer Food Services for Children	10.559	113,795
Passed through SC Department of Alcohol and Other Drug Abuse Services		
Consolidated Contract	93.959	382,991
Passed through SC Department of Commerce		
Community Development Block Grant - 4-ED-05-003	14.228	15,300
Community Development Block Grant - 4-CI-04-024	14.228	207,753
Passed through SC Department of Health Services Finance Commission		
Collaborator / Coordinator - #A70545A	93.778	117,790
US Department of Justice		
Passed through SC Department of Public Safety		
Domestic Violence Initiative Technical Support - 1K04036	16.588	29,066
JAG 2006-DJ-BX-0542	16.738	6,421
JAG 2007-DJ-BX-1415	16.738	14,650
US Department of Transportation		
Passed through SC Department of Public Safety		
Multi-Agency Joint Enforcement Traffic Team - 2H07026	20.601	154,246
Passed through SC Department of Transportation		
Lowcountry Regional Transportation Authority -MT-713X7-99	20.509	50,000
		3,437,882

Note: The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Beaufort County Council
Beaufort County
Beaufort, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beaufort County, South Carolina, as of and for the year ended June 30, 2008, which collectively comprise Beaufort County, South Carolina's basic financial statements and have issued our report thereon dated January 23, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Beaufort County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Beaufort County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Beaufort County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential, will not be prevented or detected by the entity's internal control. We consider the deficiency described as item 2008-1 in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not consider the significant deficiency described above to be a material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Beaufort County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Beaufort County's response to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Beaufort County's response and accordingly, we express no opinion on it.

This report is intended for the information and use of the Beaufort County Council management, federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than those specified parties.

Elliott Davis, LLC

Columbia, South Carolina
January 23, 2009

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Beaufort County Council
Beaufort County
Beaufort, South Carolina

Compliance

We have audited the compliance of Beaufort County, South Carolina with the types of compliance requirements described in the *United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Beaufort County's major federal programs are identified in the Summary of Auditor's Result section of the accompanying schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Beaufort County's management. Our responsibility is to express an opinion on the Beaufort County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Beaufort County's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Beaufort County's compliance with those requirements.

In our opinion, Beaufort County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Beaufort County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Beaufort County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Beaufort County's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses, as described above.

This report is intended for the information and use of Beaufort County Council, management, federal awarding agencies, and pass through entities and is not intended to be and should not be used by anyone other than those specified parties.

Elliott Davis, LLC

Columbia, South Carolina
January 23, 2009

**BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008**

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness identified: No

Significant deficiencies identified that are not considered to be material weaknesses: Yes, one

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:

Material weakness identified: No

Significant deficiencies identified that are not considered to be material weaknesses: No

Type of auditor's report issued on compliance for major programs: Unqualified

Audit findings that are required to be reported in accordance with Section 510(a) of Circular A-133 None reported

1. The programs tested as major programs were:

Federal Aviation Administration Airport Improvement Program	20.106
--	--------

Homeland Securities Grants Administration Homeland Security Grant Program	97.004
--	--------

2. The threshold for distinguishing Types A and B programs was \$300,000.

3. Beaufort County, South Carolina did not qualify as a low risk auditee.

BEAUFORT COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2008

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

Item 2008 - 1: Lack of Segregation of Duties

During fiscal year 2008, Journal entries initiated by the Controller and Treasurer's Office were not subject to review by a second individual. This lack of segregation of duties subjects the County to increased risk of material misstatement within its financial statements as there is little or no oversight over the Controller's and Treasurer's Office's work.

Responsibilities should be assigned within the Finance Department and Treasurer's Office to allow for sufficient oversight and review of an individual's work, particularly in key areas such as initiating and recording journal entries.

Management Response: The County's Finance Department hired additional employees during the 2008 fiscal year. These new employees will help to implement a system with better segregation of duties.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

NONE REPORTED

BEAUFORT COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2008

Item 2007 - 1: Lack of Segregation of Duties

During fiscal year 2007, substantially all of the County's primary accounting functions were being performed solely by the Controller including year-end closing procedures, accounting for cash and investments, debt and capital assets, preparing financial statements and grant accounting. In addition, journal entries initiated by the Controller were not subject to review by a second individual. This lack of segregation of duties subjects the County to increased risk of material misstatement within its financial statements as there is little or no oversight of the Controller's work. Also, in the event that Controller is absent for an extended period, there are no County personnel who have a working knowledge of the County's primary accounting functions.

The County should hire and/or train Finance Department personnel capable of performing the primary accounting functions. Responsibilities should be assigned within the Finance department to allow for sufficient oversight and review of an individual's work, particularly in key areas such as initiating and recording journal entries, preparing financial statements, grant accounting and capital asset accounting. In addition, at least two Finance Department personnel other than the Controller should be crossed trained in performing the County's primary accounting functions so that someone is always available to maintain these functions in the event that the Controller is absent for an extended period.

Current Status: The County's Finance Department hired a Budget Analyst and Financial Analyst during the 2008 fiscal year. These new employees will help to implement a system with better segregation of duties.

Item 2007 - 2: Schedule of Federal Expenditures

The County included approximately \$2 million in expenditures which were non-federal in source as reported in expenditures of federal awards.

The County should designate or hire an individual who is adequately trained and/or experienced in grants accounting to monitor and account for all of its grants. In order to improve segregation of duties, this individual should be someone other than the Controller.

Current Status: The County's Finance Department hired a Financial Analyst during the 2008 fiscal year. This new employee, with the Controller, helped to implement a system with better controls over this process and will continue to develop more controls over this process in the 2009 and 2010 fiscal years.

BEAUFORT COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2008

Item 2007 - 3: Lack of Timely Financial Reporting

For fiscal year 2007, the County did not record, prepare, reconcile or report financial information in a timely manner for the purpose of the financial statement audit for the year ended June 30, 2007.

As a result the County has been at risk of losing funding from various state and federal sources and has been delayed in obtaining access to financing sources. In addition, annual financial reporting which is essential for County Council and administration to make timely and informed decisions was not available.

We recommend that the County develop policies, systems and procedures to ensure financial information is recorded, prepared, reconciled, reported and reviewed by County Council and administration and that this information is able to be audited within 90 days of the fiscal year end.

Current Status: The delay in the issuance of the 2007 fiscal year's CAFR was caused by large discrepancies found within the County's tax incremental financing districts (TIF's). These discrepancies were researched, reconciled, and corrected for future reporting. The reconciliation process was very labor-intensive and took most of the 2008 calendar year to complete.

Item 2007 - 4: Cash Collateral

As of June 30, 2007, the County held cash deposits with two separate financial institutions in excess of FDIC insurance limits by approximately \$8.9 million and \$1.7 million and \$0.8 million, respectively. As of June 30, 2007, sufficient collateral was not maintained to protect these deposits in the event that either of the two financial institutions was to fail.

The County is required by state law to maintain sufficient collateral for all of its deposits through arrangements with its financial institutions. By not maintaining sufficient collateral, the County is at risk of losing deposits in excess of FDIC insurance limits.

Current Status: No similar findings were noted in the year ended June 30, 2008.

BEAUFORT COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2008

Item 2007 - 5: Capital Assets

During periods prior to fiscal year 2007, the County had been computing depreciation expense and accumulated depreciation on its governmental-type capital assets based on total annual acquisition costs by fiscal year. As a result, individual capital assets were not being accurately depreciated based on their acquisition date and depreciable lives.

Also during fiscal year 2008, the County inventoried its capital assets using records obtained from various related County departments. Based on this inventory, the County determined that certain capital assets needed to be either added or deleted from the detail listing being used to report cost and accumulated depreciation in the County's financial statements.

As a result of the above conditions, the County's net assets as of June 30, 2007 were understated by approximately \$10.7 million.

Based on our audit procedures related to capital assets, we noted that the County has developed a detailed listing of all capital assets to include automatic calculations of depreciation expense and accumulated depreciation for each individual capital asset. This listing should be updated monthly for additions, disposals and computation of depreciation expense and accumulated depreciation. The updated listing should be reviewed monthly for accuracy by someone other than the individual performing the updates.

Performing the monthly update, and review procedures as described above, will reduce the likelihood of misstatements in the financial statements and will reduce manual calculation errors and reconciling errors that were noted while performing our audit procedures.

Current Status: As stated above, the County's Finance Department performed a reconciliation over its capital assets during the 2008 fiscal year. The problems found within the reconciliation were corrected, and furthermore a better system of reporting was implemented during this process to prevent future problems and restatements.

Item 2007 - 6: Distributions Related to Tax Incremental Funding

The County participates in and/or administers approximately seventeen tax incremental funding districts (TIF's). During fiscal years prior to 2007, the County remitted cash distributions to TIF participants which consist primarily of municipalities within the County. The County subsequently deemed a portion of these distributions to be in excess of that allowed by the TIF agreement. As a result of this condition, the County's total fund balance and net assets as of June 30, 2007 were both understated by approximately \$2.6 million.

We recommend that the County develop a process for reviewing the computation of all TIF distributions prior to their being remitted to participants to ensure that the distributions are in accordance with respective TIF agreements. As part of this process, we recommend that the County maintain an updated detailed listing (and corresponding map) reflecting the parcels included in the TIF district, including changes resulting from parcels being split, consolidated, or transferred between taxable and tax-exempt owners. We understand that subsequent to fiscal year 2007, the County had developed and had begun to implement such a process.

Current Status: As stated above, the County has begun to implement better controls over its TIF accounting process that should help to prevent future discrepancies.

**BEAUFORT COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2008
STATISTICAL SECTION**

This part of the Beaufort County comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

CONTENTS	PAGE
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	140 – 147
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.	148 – 151
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	152 – 157
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	158 – 159
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	160 – 162

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**BEAUFORT COUNTY, SOUTH CAROLINA
NET ASSETS BY COMPONENT
LAST SIX* FISCAL YEARS**

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Governmental Activities						
Invested in Capital Assets, Net of Related Debt	\$ 23,002,639	\$ 21,299,949	\$ 28,519,464	\$ 32,782,836	\$ 52,778,852	\$ 70,675,039
Restricted	2,697,059	7,488,002	9,280,423	11,065,409	18,695,106	48,605,864
Unrestricted	<u>19,820,961</u>	<u>21,161,556</u>	<u>25,253,922</u>	<u>34,938,543</u>	<u>41,453,757</u>	<u>45,491,587</u>
	<u>\$ 45,520,659</u>	<u>\$ 49,929,507</u>	<u>\$ 63,053,809</u>	<u>\$ 78,788,588</u>	<u>\$ 112,925,715</u>	<u>\$ 164,772,489</u>
Business-Type Activities						
Invested in Capital Assets, Net of Related Debt	\$ 12,212,120	\$ 15,239,265	\$ 16,081,528	\$ 22,699,379	\$ 24,046,457	\$ 21,571,862
Restricted	-	-	-	-	-	-
Unrestricted	<u>252,098</u>	<u>(249,746)</u>	<u>(1,168,615)</u>	<u>(695,410)</u>	<u>(918,246)</u>	<u>218,242</u>
	<u>\$ 12,464,218</u>	<u>\$ 14,989,519</u>	<u>\$ 14,912,911</u>	<u>\$ 22,003,969</u>	<u>\$ 23,128,211</u>	<u>\$ 21,790,104</u>
Invested in Capital Assets, Net of Related Debt	\$ 35,214,759	\$ 36,539,214	\$ 44,599,990	\$ 55,482,015	\$ 76,823,309	\$ 92,246,900
Restricted	2,697,058	7,468,002	9,280,423	11,065,409	18,695,106	48,605,864
Unrestricted	<u>20,073,059</u>	<u>20,911,810</u>	<u>24,085,307</u>	<u>34,243,133</u>	<u>40,535,511</u>	<u>45,709,829</u>
	<u>\$ 57,984,876</u>	<u>\$ 64,919,026</u>	<u>\$ 77,965,720</u>	<u>\$ 100,790,557</u>	<u>\$ 136,053,926</u>	<u>\$ 186,562,593</u>

* - Trend data is only available for the last 6 fiscal years due to the implementation of GASB 34 in fiscal year 2003. Ten years of data will be accumulated over time.

BEAUFORT COUNTY, SOUTH CAROLINA
CHANGES IN NET ASSETS
LAST SIX* FISCAL YEARS

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Expenses						
Governmental Activities						
General Government	\$ 23,749,085	\$ 19,299,507	\$ 20,435,569	\$ 23,243,294	\$ 24,883,032	\$ 27,566,888
Public Safety	29,561,663	32,383,389	35,659,419	39,033,433	40,322,590	46,605,447
Public Works	10,265,982	13,982,695	14,904,707	19,534,972	19,507,135	21,017,930
Public Health	6,244,613	6,884,153	7,343,920	7,836,966	8,434,863	9,545,159
Public Welfare	1,083,331	1,163,940	948,468	1,213,994	1,460,053	2,082,811
Cultural and recreation	6,897,218	7,809,386	8,628,664	10,984,080	10,527,430	11,882,973
Interest	<u>4,088,987</u>	<u>6,820,142</u>	<u>7,591,323</u>	<u>8,435,071</u>	<u>9,238,679</u>	<u>10,691,835</u>
Total Governmental Activities Expenses	<u>81,890,879</u>	<u>88,323,212</u>	<u>95,512,070</u>	<u>110,281,810</u>	<u>114,353,782</u>	<u>128,093,041</u>
Business-Type Activities						
Garage	2,454,837	2,702,854	3,111,165	3,770,274	4,188,348	4,778,275
Stormwater	-	3,437,623	4,212,250	3,904,685	2,528,367	2,896,205
Lady's Island Airport	1,742,811	405,512	464,560	678,804	673,942	909,516
Hilton Head Airport	<u>3,863,545</u>	<u>1,505,316</u>	<u>1,632,968</u>	<u>1,801,388</u>	<u>2,107,556</u>	<u>4,475,379</u>
Total Business-Type Expenses	<u>8,061,193</u>	<u>8,051,305</u>	<u>9,420,943</u>	<u>10,155,151</u>	<u>9,498,211</u>	<u>13,059,375</u>
Total Government Expenses	<u>\$ 89,952,072</u>	<u>\$ 96,374,517</u>	<u>\$ 104,933,013</u>	<u>\$ 120,416,961</u>	<u>\$ 123,849,993</u>	<u>\$ 141,152,416</u>

* - Trend data is only available for the last 6 fiscal years due to the implementation of GASB 34 in fiscal year 2003. Ten years of data will be accumulated over time.

BEAUFORT COUNTY, SOUTH CAROLINA
CHANGES IN NET ASSETS
LAST SIX* FISCAL YEARS

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Program Revenues						
Governmental Activities						
Charges for services						
General Government	\$ 7,419,083	\$ 9,264,212	\$ 11,811,709	\$ 15,892,733	\$ 14,964,925	\$ 13,170,035
Public Safety	6,777,391	5,762,904	6,850,467	8,885,678	8,423,902	7,990,064
Public Works	2,152,936	2,354,902	3,198,409	3,886,634	5,678,226	7,016,889
Public Health	329,203	284,451	327,663	398,718	407,968	410,076
Public Welfare	-	-	21,669	5,871	9,725	16,525
Cultural and Recreation	2,393,054	1,966,944	2,823,252	3,863,531	2,817,775	2,809,504
Operating Grants and Contributions	7,556,846	6,739,125	5,893,333	7,466,688	6,980,330	8,312,520
Capital Grants and Contributions	-	2,770,673	3,148,936	6,751,581	8,567,228	33,285,927
Total Governmental Activities Program Revenues	<u>26,628,513</u>	<u>29,143,211</u>	<u>34,075,438</u>	<u>47,151,434</u>	<u>47,850,079</u>	<u>73,011,540</u>
Business-Type Activities						
Charges for services						
Garage	2,454,761	2,665,716	3,108,261	3,746,682	4,016,829	4,913,862
Stormwater utility	3,674,636	3,930,774	4,207,825	4,529,385	2,880,264	3,233,196
Lady's Island Airport	422,192	348,964	471,341	772,380	676,061	729,620
Hilton Head Airport	1,994,035	1,107,416	1,076,508	1,119,330	1,314,648	1,508,468
Operating Grants and Contributions	-	157,085	171,894	247,021	219,079	244,468
Capital Grants and Contributions	19,785	2,337,140	240,806	5,595,366	1,334,933	1,004,624
Total Business-Type Activities Program Revenues	<u>8,565,409</u>	<u>10,545,095</u>	<u>9,276,635</u>	<u>16,010,164</u>	<u>10,441,814</u>	<u>11,634,238</u>
Total Government Program Revenues	<u>\$ 35,193,922</u>	<u>\$ 39,688,306</u>	<u>\$ 43,352,073</u>	<u>\$ 63,161,598</u>	<u>\$ 58,291,893</u>	<u>\$ 84,645,778</u>
Net (Expense) / Revenue						
Governmental Activities	\$ (55,262,366)	\$ (59,180,001)	\$ (61,436,632)	\$ (63,110,376)	\$ (76,836,607)	\$ (55,081,501)
Business-Type Activities	504,216	2,493,790	(144,308)	5,855,013	(2,462,580)	(1,425,137)
Total Government Net (Expense) / Revenue	<u>\$ (54,758,150)</u>	<u>\$ (56,686,211)</u>	<u>\$ (61,580,940)</u>	<u>\$ (57,255,363)</u>	<u>\$ (79,299,187)</u>	<u>\$ (56,506,638)</u>

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BEAUFORT COUNTY, SOUTH CAROLINA
CHANGES IN NET ASSETS
LAST SIX* FISCAL YEARS

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
General Revenues and Other Changes in Net Assets						
Governmental Activities						
Taxes	\$ 48,464,482	\$ 54,454,188	\$ 65,662,952	\$ 68,707,288	\$ 72,584,375	\$ 81,399,195
Grants and contributions not restricted	7,121,077	5,930,598	5,802,176	6,009,783	7,719,639	9,621,104
Unrestricted investment earnings	1,709,644	1,000,454	1,627,662	2,823,419	4,179,902	4,701,846
Transfers In / (Out)	-	-	-	-	-	1,863,867
Miscellaneous	606,578	647,994	1,467,144	1,303,665	2,838,808	9,342,263
Total Governmental Activities	57,901,781	62,033,234	74,559,934	78,844,155	87,322,724	106,928,275
Business-Type Activities						
Taxes	-	-	-	-	-	-
Grants and Contributions Not Restricted	-	-	-	1,164,820	-	-
Unrestricted Investments Earnings	46,820	31,511	63,721	71,225	174,319	86,760
Transfers In / (Out)	-	-	-	-	-	(1,863,867)
Miscellaneous	-	-	3,979	-	4,320	270
Total Business-Type Activities	46,820	31,511	67,700	1,236,045	178,639	(1,776,837)
Total Government	\$ 57,948,601	\$ 62,064,745	\$ 74,627,634	\$ 80,080,200	\$ 87,501,363	\$ 105,151,438
Changes in Net Assets						
Governmental Activities	\$ 2,639,415	\$ 2,853,233	\$ 13,123,302	\$ 15,733,779	\$ 35,403,937	\$ 51,846,774
Business-Type Activities	551,036	2,525,301	(76,608)	7,091,058	(1,010,798)	(1,338,107)
Total Government Changes in Net Assets	\$ 3,190,451	\$ 5,378,534	\$ 13,046,694	\$ 22,824,837	\$ 34,393,139	\$ 50,508,667

* - Trend data is only available for the last 6 fiscal years due to the implementation of GASB 34 in fiscal year 2003. Ten years of data will be accumulated over time.

BEAUFORT COUNTY, SOUTH CAROLINA
FUND BALANCES GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
General Fund					
Reserved	\$ 909,597	\$ 573,917	\$ 1,066,656	\$ 1,077,382	\$ 1,280,763
Unreserved	<u>7,043,324</u>	<u>9,030,512</u>	<u>9,849,453</u>	<u>5,658,492</u>	<u>2,767,765</u>
Total General Fund	<u>\$ 7,952,921</u>	<u>\$ 9,604,429</u>	<u>\$ 10,948,109</u>	<u>\$ 6,735,874</u>	<u>\$ 4,048,528</u>
All Other Governmental Funds					
Reserved	\$ 8,827,563	\$ 19,962,106	\$ 22,762,235	\$ 28,423,278	\$ 86,071,043
Unreserved, Reported in: Special revenue funds	<u>7,984,435</u>	<u>8,166,907</u>	<u>17,074,992</u>	<u>19,009,413</u>	<u>14,395,742</u>
Total All Other Governmental Funds	<u>\$ 16,811,998</u>	<u>\$ 28,129,013</u>	<u>\$ 39,837,227</u>	<u>\$ 47,432,691</u>	<u>\$ 100,466,785</u>
Total All Governmental Funds	<u>\$ 24,764,919</u>	<u>\$ 37,733,442</u>	<u>\$ 50,783,336</u>	<u>\$ 54,168,565</u>	<u>\$ 104,515,313</u>

BEAUFORT COUNTY, SOUTH CAROLINA
FUND BALANCES GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
General Fund					
Reserved	\$ 712,741	\$ 974,741	\$ 1,324,228	\$ 2,088,748	\$ 827,243
Unreserved	<u>4,437,859</u>	<u>10,820,609</u>	<u>19,043,267</u>	<u>19,553,774</u>	<u>18,929,748</u>
Total General Fund	<u>\$ 5,150,600</u>	<u>\$ 11,795,350</u>	<u>\$ 20,367,493</u>	<u>\$ 21,642,520</u>	<u>\$ 19,756,991</u>
All Other Governmental Funds					
Reserved	\$ 53,408,733	\$ 53,944,088	\$ 60,052,751	\$ 60,620,111	\$ 103,005,448
Unreserved, Reported In:					
Special revenue funds	<u>13,386,140</u>	<u>15,792,363</u>	<u>17,157,060</u>	<u>26,389,167</u>	<u>32,852,969</u>
Total All Other Governmental Funds	<u>\$ 66,774,873</u>	<u>\$ 69,736,449</u>	<u>\$ 77,209,811</u>	<u>\$ 86,989,278</u>	<u>\$ 135,858,417</u>
Total All Governmental Funds	<u>\$ 71,925,473</u>	<u>\$ 81,531,799</u>	<u>\$ 97,577,304</u>	<u>\$ 108,631,798</u>	<u>\$ 155,615,408</u>

BEAUFORT COUNTY, SOUTH CAROLINA
CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
Revenues					
Property Taxes	\$ 34,477,824	\$ 40,821,499	\$ 42,395,824	\$ 43,208,104	\$ 48,464,482
Licenses and Permits	1,681,439	1,862,577	1,882,455	2,645,796	5,976,258
Intergovernmental	10,851,172	12,101,076	17,203,389	14,379,402	14,677,923
Charges for Services	8,993,875	9,920,803	10,388,179	10,099,626	12,079,962
Fines and Forfeitures	747,322	1,037,486	1,041,462	1,159,667	1,015,447
Interest	1,119,910	1,526,568	2,135,746	1,556,884	1,709,644
Settlements	-	-	-	-	-
Miscellaneous	612,579	1,723,061	381,740	343,237	606,578
Total Revenues	<u>58,484,121</u>	<u>68,993,070</u>	<u>75,428,795</u>	<u>73,392,716</u>	<u>84,530,294</u>
Expenditures					
General Government	11,823,465	13,948,747	18,274,555	17,529,813	20,982,726
Public Safety	18,269,814	21,813,640	22,497,160	26,935,280	28,612,042
Public Works	10,246,228	10,757,944	11,233,445	12,113,947	11,199,052
Public Health	5,355,640	5,664,906	6,081,552	6,184,154	6,364,701
Public Wealth	815,983	1,247,012	956,584	1,035,818	927,958
Cultural and Recreation	4,795,749	5,073,974	5,232,276	5,503,690	6,290,212
Debt Service-Principal	3,165,000	3,400,000	13,640,000	27,995,000	5,290,000
Debt Service-Interest and Fees	1,475,938	1,596,926	2,035,489	2,548,739	4,086,293
Capital Projects	4,957,339	2,521,398	12,427,840	22,261,046	23,330,377
Total Expenditures	<u>60,905,156</u>	<u>66,024,547</u>	<u>92,378,901</u>	<u>122,107,487</u>	<u>107,083,361</u>
Excess of Revenues Over (Under) Expenditures	(2,421,035)	2,968,523	(16,950,106)	(48,714,771)	(22,553,067)
Other Financing Sources (Uses)					
Issuance of Bonds	9,100,000	10,000,000	30,000,000	52,100,000	65,500,000
Transfers In	3,474,112	4,288,876	3,091,441	3,931,160	14,828,793
Transfers Out	(3,470,964)	(4,288,876)	(3,091,441)	(3,931,160)	(14,828,793)
Total Other Financing Sources (Uses)	<u>9,103,148</u>	<u>10,000,000</u>	<u>30,000,000</u>	<u>52,100,000</u>	<u>65,500,000</u>
Net Change in Fund Balance	<u>\$ 6,682,113</u>	<u>\$ 12,968,523</u>	<u>\$ 13,049,894</u>	<u>\$ 3,385,229</u>	<u>\$ 42,946,933</u>
Debt Service as a Percentage of Noncapital Expenditures	8.3%	7.9%	19.6%	30.6%	11.2%

BEAUFORT COUNTY, SOUTH CAROLINA
CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Revenues					
Property Taxes	\$ 54,454,188	\$ 65,483,466	\$ 68,227,384	\$ 72,842,999	\$ 80,919,392
Licenses and Permits	5,919,147	8,462,749	14,256,278	15,282,447	15,244,516
Intergovernmental	20,564,296	22,138,156	20,228,052	23,267,197	51,219,551
Charges for Services	12,497,195	15,458,622	17,505,824	15,576,292	14,880,644
Fines and Forfeitures	1,217,071	1,111,798	1,171,063	1,443,782	1,287,933
Interest	1,000,454	1,627,662	2,823,419	3,999,618	4,701,846
Settlements	-	-	-	-	6,503,786
Miscellaneous	647,994	4,339,915	1,441,311	2,912,367	3,091,560
Total Revenues	<u>96,300,345</u>	<u>118,622,368</u>	<u>125,653,331</u>	<u>135,324,702</u>	<u>177,849,228</u>
Expenditures					
General Government	22,302,782	24,944,004	19,888,965	21,723,657	24,281,947
Public Safety	30,331,140	32,348,721	34,439,442	38,169,617	42,629,557
Public Works	17,476,169	17,833,904	19,210,085	19,254,211	19,505,060
Public Health	6,717,971	7,131,096	7,703,359	8,808,346	9,648,711
Public Welfare	1,054,705	948,468	1,213,994	1,340,276	1,552,651
Cultural and Recreation	6,536,270	7,082,111	7,729,719	8,714,649	9,364,666
Debt Service-Principal	20,040,000	5,285,000	5,665,000	31,830,000	7,615,000
Debt Service-Interest and Fees	5,909,905	7,100,535	7,870,542	9,339,579	10,119,245
Capital Projects	42,201,243	36,842,203	30,886,720	35,382,016	51,042,649
Total Expenditures	<u>152,570,185</u>	<u>139,516,042</u>	<u>134,607,826</u>	<u>174,582,351</u>	<u>175,759,486</u>
Excess of Revenues Over (Under) Expenditures	(56,269,840)	(20,893,674)	(8,954,495)	(39,237,649)	2,089,742
Other Financing Sources (Uses)					
Issuance of Bonds	23,680,000	30,500,000	25,000,000	47,680,193	43,030,000
Transfers In	13,319,300	8,916,943	11,231,560	10,350,964	18,842,778
Transfers Out	(13,319,300)	(8,916,943)	(11,231,560)	(10,350,964)	(16,978,911)
Total Other Financing Sources (Uses)	<u>23,680,000</u>	<u>30,500,000</u>	<u>25,000,000</u>	<u>47,680,193</u>	<u>44,893,867</u>
Net Change in Fund Balance	<u>\$ (32,589,840)</u>	<u>\$ 9,606,326</u>	<u>\$ 16,045,505</u>	<u>\$ 8,442,544</u>	<u>\$ 46,983,609</u>
Debt Service as a Percentage of Noncapital Expenditures	23.5%	12.1%	13.0%	29.6%	14.2%

**BEAUFORT COUNTY, SOUTH CAROLINA
 ASSESSED VALUE AND MARKET VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Fiscal Year	Real Property			Personal Property			Totals		Total Direct Tax Rate
	Assessed Value	Market Value		Assessed Value	Market Value		Assessed Value	Market Value	
1999	593,682,975	12,368,395,312	4.80%	125,016,989	1,190,637,990	10.50%	718,699,964	13,559,033,302	47.8
2000	615,986,525	12,927,605,644	4.78%	137,827,004	1,344,653,698	10.25%	753,813,529	14,272,259,342	52.2
2001	621,274,881	12,059,025,117	5.15%	174,822,349	1,732,829,822	10.09%	796,097,230	13,791,654,939	52.1
2002	708,384,471	14,171,046,525	5.00%	148,572,971	1,480,798,424	9.97%	856,957,442	15,661,844,949	50.6
2003	712,511,246	14,219,019,560	5.01%	170,011,192	1,719,021,153	9.89%	882,522,438	15,938,040,713	54.0
2004	740,613,636	15,649,673,497	4.73%	184,242,061	1,897,765,656	9.71%	924,855,697	17,547,439,153	58.0
2005	1,354,125,807	27,588,978,918	4.91%	184,286,675	1,911,616,663	9.64%	1,538,412,482	29,500,595,581	44.1
2006	1,342,243,568	27,504,991,147	4.88%	162,980,756	2,029,648,269	8.03%	1,505,224,324	29,534,639,416	45.1
2007	1,397,740,562	31,569,997,800	4.43%	184,669,523	2,419,677,833	7.63%	1,582,410,085	33,989,675,633	44.6
2008	1,452,621,579	32,753,008,310	4.44%	207,538,743	2,626,086,500	7.90%	1,660,160,322	35,379,094,810	47.4

Table 6

**BEAUFORT COUNTY, SOUTH CAROLINA
PROPERTY TAX MILLAGES-ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<u>County-Wide Levies</u>										
County-Operations	32.6	36.3	36.0	35.2	40.1	42.9	32.7	33.7	36.7	38.9
County-Debt Service	6.8	7.2	7.2	7.2	7.2	7.2	5.4	5.4	5.4	5.8
County-Capital Improvement Program	0.2	-	-	-	-	-	-	-	-	-
County-Solid Waste/Recycling	6.2	6.7	6.9	6.2	4.7	5.9	4.5	4.5	-	-
County-Purchase of Real Property Program	2.0	2.0	2.0	2.0	2.0	2.0	1.5	1.5	2.5	2.7
Total Direct Tax Rate	47.8	52.2	52.1	50.6	54.0	58.0	44.1	45.1	44.6	47.4
School-Operations	75.7	86.7	96.7	97.6	107.0	108.2	75.2	77.5	91.7	97.3
School-Operations Surcharge	-	-	-	-	-	-	-	-	-	2.9
School-Debt Service	23.8	21.7	23.1	22.2	22.2	22.2	19.0	19.0	17.0	22.6
Indigent Health Care	1.8	1.9	2.0	2.0	2.0	2.0	1.5	1.5	1.5	1.5
Continuing Education	1.5	4.2	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0
<u>Municipal Levies</u>										
City of Beaufort	68.9	68.9	68.4	68.4	73.4	73.4	55.8	55.8	52.8	52.8
Town of Port Royal	85.0	85.0	85.0	85.0	85.0	85.0	85.0	78.0	74.0	74.0
Town of Bluffton	49.0	49.0	49.0	49.0	49.0	49.0	42.0	42.0	42.0	40.0
Town of Hilton Head	30.5	30.5	30.5	31.0	31.0	31.0	22.3	19.0	19.0	19.0
Town of Yemassee	65.0	65.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0
<u>Fire Levies</u>										
Burton Fire-Operations	42.1	46.3	48.5	49.5	57.9	61.9	49.6	51.9	51.9	55.1
Burton Fire-Debt Service	6.5	6.6	6.0	6.0	6.0	6.0	4.6	6.0	6.0	6.0
Bluffton Fire-Operation	20.1	21.5	20.5	21.5	22.5	25.5	17.9	19.5	20.3	21.1
Bluffton Fire-Debt Service	0.3	0.8	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.9
Daufuskie Island Fire-Operations	34.3	36.8	40.5	40.5	42.5	47.5	27.9	29.7	29.7	31.5
Daufuskie Island Fire-Debt Service	4.4	4.9	4.7	4.7	4.7	4.7	2.6	2.6	2.6	2.6
Lady's Island/St. Helena-Operations	22.2	24.8	25.7	26.7	31.9	35.1	27.1	28.9	28.9	30.7
Lady's Island/St. Helena-Debt Service	3.5	3.0	2.1	2.1	2.1	3.5	1.4	1.4	1.4	1.7
Sheldon Fire-Operations	25.8	26.8	30.6	32.6	37.0	39.9	29.6	34.9	34.9	37.0
Sheldon Fire-Debt Services	3.3	3.3	2.6	2.6	2.6	2.6	2.3	2.5	2.5	2.5

BEAUFORT COUNTY, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Total Levy (1)	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years (2)	Total Collections As Percent of Levy
1999	34,853,858	32,481,388	93.2%	1,996,436	98.9%
2000	40,349,066	37,255,451	92.3%	3,093,615	100.0%
2001	41,934,211	39,267,259	93.6%	2,666,952	100.0%
2002	43,559,515	40,870,579	93.8%	2,337,525	99.2%
2003	47,656,212	45,147,129	94.7%	2,509,083	100.0%
2004	53,641,630	50,203,062	93.6%	3,438,568	100.0%
2005	63,554,010	60,416,187	95.1%	3,137,823	100.0%
2006	66,885,604	62,744,316	93.8%	3,426,155	98.9%
2007	70,512,827	63,986,885	90.7%	3,594,507	95.8%
2008	76,299,793	73,731,373	96.6%	-	96.6%

(1) - Includes County operations and maintenance levy, purchase of real property program levy, solid waste and recycling program levy, debt service levy, and capital improvements program levy.

(2) - Includes collections of penalties as established by state statutes.

BEAUFORT COUNTY, SOUTH CAROLINA
TEN LARGEST TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2008 Fiscal Year			1999 Fiscal Year		
	Total Taxes Paid	Rank	Percentage of Total Taxes Levied	Total Taxes Paid	Rank	Percentage of Total Taxes Levied
Marriott Resort	3,550,827	1	4.7%	1,481,184	2	4.2%
South Carolina Electric & Gas	3,169,518	2	4.2%	1,703,644	1	4.9%
Palmetto Electric	1,798,248	3	2.4%	880,147	3	2.5%
May River Forest LLC	1,102,381	4	1.4%	N/A	N/A	N/A
Columbia Properties Hilton Head	817,776	5	1.1%	N/A	N/A	N/A
Hargray Telephone Company	817,238	6	1.1%	874,389	4	2.5%
SCG Hilton Head Property LLC	740,978	7	1.0%	N/A	N/A	N/A
Sea Pines Resort LLC	631,732	8	0.8%	409,135	9	1.2%
Greenwood Development Corp	631,718	9	0.8%	842,664	5	2.4%
United Telephone Company	407,794	10	0.5%	416,967	8	1.2%
Dunes Hotel Associates	N/A	N/A	N/A	530,876	6	1.5%
R H Hilton Head	N/A	N/A	N/A	453,817	7	1.3%
Melrose Group	N/A	N/A	N/A	366,513	10	1.1%
	13,668,210		17.9%	7,959,336		22.8%

Table 9

BEAUFORT COUNTY, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Estimated Population (1)</u>	<u>Assessed Value</u>	<u>General Obligation Bonds</u>	<u>Less: Debt Service Funds</u>	<u>Net County Debt</u>	<u>Ratio of Net County Debt to Assessed value</u>	<u>Net County Debt Per Capita</u>
1999	115,995	718,699,964	33,725,000	530,266	33,194,734	4.62%	286
2000	117,975	753,813,529	40,325,000	1,264,403	39,060,597	5.18%	331
2001	122,080	796,097,230	56,685,000	1,625,423	55,059,577	6.92%	451
2002	124,799	856,957,442	80,790,000	1,199,156	79,590,844	9.29%	638
2003	128,559	882,522,438	86,000,000	241,939	85,758,061	9.72%	667
2004	130,993	924,855,697	80,960,000	84,747	80,875,253	8.74%	617
2005	134,910	1,538,412,482	106,175,000	874,355	105,300,645	6.84%	781
2006	139,333	1,505,224,324	100,645,000	1,283,952	99,361,048	6.60%	713
2007	143,614	1,582,410,085	141,670,000	1,091,840	140,578,160	8.88%	979
2008	147,922	1,660,160,322	177,515,000	21,807,616	155,707,384	9.38%	1,053

(1) - Source: U.S. Department of Commerce Bureau of Economic Analysis for fiscal years 1999 - 2007 and an estimated 3% growth rate for the 2008 fiscal year.

**BEAUFORT COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2008**

Assessed Value - 2007 Tax Year (Fiscal Year 2008)	\$ 1,660,160,322
	<u> x 8%</u>
Constitutional Debt Limit	132,812,826
Outstanding Subject to Debt Limit	<u>88,104,325</u>
 Legal Debt Limit Remaining Without a Referendum	 <u>\$ 44,708,501</u>

Total Outstanding General Obligation Debt	\$ 177,515,000
Less General Obligation Debt Issued Under Referendum	(55,645,969)
Less General Obligation Debt Issued Paid by Other Sources	<u>(33,764,706)</u>
Total Outstanding Debt Subject to Debt Limit	<u>\$ 88,104,325</u>

BEAUFORT COUNTY, SOUTH CAROLINA
LEGAL DEBT MARGIN DETAIL
LAST TEN FISCAL YEARS

Fiscal Year	Debt Limit	Total Net Debt Applicable to Debt Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
1999	57,495,997	33,725,000	23,770,997	58.7%
2000	60,305,082	40,325,000	19,980,082	66.9%
2001	63,687,778	46,685,000	17,002,778	73.3%
2002	68,556,595	56,070,000	12,486,595	81.8%
2003	70,601,795	61,660,000	8,941,795	87.3%
2004	73,988,455	57,397,353	16,591,102	77.6%
2005	123,072,999	63,429,118	59,643,881	51.5%
2006	120,417,946	58,760,294	61,657,652	48.8%
2007	126,890,994	70,887,603	56,003,391	55.9%
2008	132,812,826	88,104,325	44,708,501	66.3%

Table 12

BEAUFORT COUNTY, SOUTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Estimated Population (1)	Governmental Activities			Business-Type Activities		Total Primary Government Debt	Per Capita Personal Income (1)	Estimated Total Personal Income (2)	Percentage of Total Personal Income	Total Primary Government Debt Per Capita
		General Obligation Bonds	TIF Revenue Bonds and BANs	Capital Leases	Note Payable						
1999	115,995	33,725,000	-	251,266	-	33,976,266	29,746	3,450,387,270	0.98%	293	
2000	117,975	40,325,000	-	207,643	-	40,532,643	31,450	3,710,313,750	1.09%	344	
2001	122,080	56,685,000	-	160,931	1,325,000	58,170,931	32,437	3,959,908,960	1.47%	476	
2002	124,799	80,790,000	-	108,518	1,186,739	82,085,257	34,213	4,289,748,187	1.92%	658	
2003	128,559	86,000,000	55,000,000	57,352	1,041,427	142,098,779	33,817	4,347,478,703	3.27%	1,105	
2004	130,993	80,960,000	63,680,000	325,300	888,703	145,854,003	34,643	4,537,990,499	3.21%	1,113	
2005	134,910	106,175,000	63,680,000	298,150	728,191	170,881,341	37,474	5,055,617,340	3.38%	1,267	
2006	139,333	100,645,000	88,545,000	269,926	559,493	190,019,419	40,005	5,574,016,665	3.41%	1,364	
2007	143,614	141,670,000	63,190,000	240,588	382,191	205,482,779	41,724	5,992,150,536	3.43%	1,431	
2008	147,922	177,515,000	62,760,000	210,091	1,762,774	242,247,865	42,976	6,357,095,872	3.81%	1,638	

1 - Source: U.S. Department of Commerce Bureau of Economic Analysis for fiscal years 1999 - 2007 and an estimated 3% growth rate for the 2008 fiscal year.

2 - Calculated by multiplying the estimated population by the per capita income.

**BEAUFORT COUNTY, SOUTH CAROLINA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

New River Tax Increment Financing (TIF) Bonds

Fiscal Year	Collections*	Principal	Interest	Total	Coverage
1999	-	-	-	-	N/A
2000	-	-	-	-	N/A
2001	-	-	-	-	N/A
2002	-	-	-	-	N/A
2003	269,601	-	-	-	N/A
2004	868,974	-	1,989,882	1,989,882	0.4
2005	2,263,809	-	1,989,882	1,989,882	1.1
2006	3,282,894	-	1,989,882	1,989,882	1.6
2007	5,218,464	200,000	3,283,263	2,189,883	2.4
2008	6,749,228	250,000	1,983,883	2,233,883	3.0

Bluffton (County-Owned) Tax Increment Financing (TIF) Bonds

Fiscal Year	Collections*	Total Committed			Total		Coverage
		Impact Fees	Revenue	Principal	Interest	Debt Service	
1999	-	-	-	-	-	-	N/A
2000	-	-	-	-	-	-	N/A
2001	2,427	-	2,427	-	-	-	N/A
2002	32,625	-	32,625	-	-	-	N/A
2003	87,973	-	87,973	-	-	-	N/A
2004	143,207	5,712,048	5,855,255	-	-	-	N/A
2005	302,266	2,328,429	2,630,695	-	1,141,080	1,141,080	2.3
2006	321,563	2,091,573	2,413,136	135,000	1,141,080	1,276,080	1.9
2007	346,528	2,409,275	2,755,803	155,000	1,138,380	1,293,380	2.1
2008	438,793	3,216,927	3,655,720	180,000	1,134,815	1,314,815	2.8

* - These collections represent the reconciled TIF revenues of the 2008 fiscal year TIF reconciliation. The TIF revenues are pledged to pay the related bonds that funded the TIF projects for the New River and Bluffton (County-Owned) TIFs.

BEAUFORT COUNTY, SOUTH CAROLINA
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2008

	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable to Beaufort County</u>	<u>Amount Applicable to Beaufort County</u>
Beaufort County School District	\$ 292,895,000	100%	\$ 292,895,000
Town of Bluffton	14,509,079	100%	14,509,079
Town of Hilton Head	70,585,000	100%	70,585,000
Town of Port Royal	738,118	100%	738,118
Broad Creek Public Service District	6,435,000	100%	6,435,000
Fripp Island Public Service District	5,451,440	100%	5,451,440
Hilton Head No. 1 Public Service District	51,675,750	100%	51,675,750
South Beach Public Service District	4,520,000	100%	4,520,000
Bluffton Fire District	1,688,191	100%	1,688,191
Daufuskie Island Fire District	51,120	100%	51,120
Lady's Island/St. Helena Island Fire District	1,740,522	100%	1,740,522
Sheldon Fire District	<u>509,222</u>	100%	<u>509,222</u>
Subtotal of Overlapping Debt	450,798,442		450,798,442
Beaufort County Direct Debt			<u>240,275,000</u>
Total of Direct and Overlapping Debt			<u>\$ 691,073,442</u>

Note: As all of this debt is within Beaufort County, the percentage of applicable debt to the County is 100%.

**BEAUFORT COUNTY, SOUTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Estimated Population (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Unemploy Margin</u>	<u>Unemployment Rate (2)</u>
1999	115,995	29,746	86,249	1.1%
2000	117,975	31,450	86,525	1.2%
2001	122,080	32,437	89,643	1.4%
2002	124,799	34,213	90,586	1.8%
2003	128,559	33,817	94,742	1.8%
2004	130,993	34,643	96,350	2.1%
2005	134,910	37,474	97,436	2.2%
2006	139,333	40,005	99,328	2.1%
2007	143,614	41,724	101,890	4.3%
2008	147,922	42,976	104,946	3.7%

(1) - Source: U.S. Department of Commerce Bureau of Economic Analysis for fiscal years 1999 - 2007 and an estimated 3% growth rate for the 2008 fiscal year.

(2) - Source: U.S. Department of Labor Bureau of Labor and Statistics

**BEAUFORT COUNTY, SOUTH CAROLINA
PRINCIPAL EMPLOYERS**

Employer	2008			1999		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Beaufort County School District	3,400	1	20.3%	N/A	N/A	N/A
Beaufort Memorial Hospital	1,750	2	10.5%	N/A	N/A	N/A
Beaufort County	1,164	3	7.0%	N/A	N/A	N/A
Marine Corp Recruit Depot (Civilian Personnel)	882	4	5.3%	N/A	N/A	N/A
Marine Corp Air Station (Civilian Personnel)	700	5	4.2%	N/A	N/A	N/A
Hilton Head Medical Center	600	6	3.6%	N/A	N/A	N/A
Wal-Mart Stores	520	7	3.1%	N/A	N/A	N/A
Hilton Head Marriott Golf and Beach Resort	520	8	3.1%	N/A	N/A	N/A
The Westin Resort	450	9	2.7%	N/A	N/A	N/A
Crowne Plaza Resort	430	10	2.6%	N/A	N/A	N/A

Source: Greater Beaufort-Hilton Head Economic Partnership, Inc provided by the Beaufort Regional Chamber of Commerce

Note: Only 2004 information was available at the time of this report.

**BEAUFORT COUNTY, SOUTH CAROLINA
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>General Government</u>	N/A	N/A	172	211	233	238	234	248	251	268
<u>Public Safety</u>	N/A	N/A	328	363	411	421	410	539	440	458
<u>Public Works</u>	N/A	N/A	86	92	110	120	121	126	129	125
<u>Public Health</u>	N/A	N/A	15	16	23	24	24	25	24	27
<u>Public Welfare</u>	N/A	N/A	73	85	91	99	100	113	114	122
<u>Culture & Recreation</u>	N/A	N/A	116	143	160	129	158	165	166	159
<u>Business-Type Activities</u>	N/A	N/A	13	30	31	36	36	43	41	50
Total Full-Time Employees	815	915	803	940	1,059	1,067	1,083	1,259	1,165	1,209

BEAUFORT COUNTY, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<u>General Government</u>										
Number of Parcels Owned	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	199
Acreage of County-Owned Land	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11,319
Miles of Paved (Maintained) Road	23	23	23	48	54	54	54	165	168	171
Miles of Unimproved Road	237	237	237	232	230	230	230	140	136	133
Total Miles of Road	260	260	260	280	284	284	284	305	304	304
Number of Vehicles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	30
<u>Public Safety</u>										
Number of Vehicles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	312
<u>Public Works</u>										
Number of Vehicles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	80
<u>Public Health</u>										
Number of Vehicles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	29
<u>Public Welfare</u>										
Number of Vehicles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	38
<u>Cultural & Recreation</u>										
Total Acreage of Parks and Leisure Service-Owned Land	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	929.86
Number of Community Centers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	13
Number of Playgrounds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19
Number of Football Fields	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10
Number of Gymnasiums	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4
Number of Basketball Courts	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	15
Number of Tennis Courts	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	21
Number of Baseball/Softball Fields	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	34
Number of Soccer Fields	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	23
Number of Passive Parks	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2
Number of Racquetball Courts	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2
Number of Fitness Centers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
Number of Boat Landings	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	25
Number of Vehicles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	31

**BEAUFORT COUNTY, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<u>Law Enforcement</u>										
Number of Warrants	6,663	7,111	6,059	6,087	5,677	6,203	6,105	5,965	5,906	5,533
Number of Calls Responded to	87,306	91,198	96,595	97,155	130,473	157,973	194,834	206,513	235,339	242,320
Number of Vehicle Moving Violations Cited	2,165	8,720	11,153	10,726	12,759	14,046	17,089	15,281	20,551	22,273
<u>Emergency Medical Services</u>										
Number of Calls Responded to	6,506	7,230	7,412	7,896	8,434	9,062	9,642	9,850	13,611	14,785
<u>Fire Departments</u>										
Number of Calls Responded to - Beaufort Fire Department	1,991	2,141	2,393	2,632	2,344	2,795	3,224	2,770	2,786	2,850
Number of Calls Responded to - Lady's Island Fire Department	1,519	1,578	1,725	1,954	1,889	2,137	2,189	2,325	2,234	2,099
Number of Calls Responded to - Burton Fire Department	1,760	2,051	2,259	2,577	2,574	2,916	3,232	2,954	2,937	2,913
Number of Calls Responded to - Sheldon Fire Department	625	570	689	772	672	725	818	734	688	693
Number of Calls Responded to - Fripp Island Fire Department	127	140	176	159	136	175	190	244	220	216
Number of Calls Responded to - Bluffton Fire Department	1,547	1,991	2,434	2,649	2,939	3,308	3,654	4,106	4,367	4,705
Total Number of Calls Responded to - All Fire Departments	7,569	8,471	9,676	10,743	10,554	12,056	13,307	13,133	13,232	13,476
<u>Registered Voters</u>										
Beaufort County	61,146	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	90,887
State of South Carolina	2,139,201	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,553,923



Water Lilies by Sandy Dimke

“Every spring I look forward to seeing the water lilies unfold in the ACE Basin. May through July is the peak time for the blossoms but photographing them can be a challenge since they’re right on U.S. 17. This year traffic was light and the sun made them sparkle. These water lilies were photographed in the ACE Basin, one of the largest undeveloped estuaries on the east coast.”



Clown by Don Bodiker

“Military Appreciation Day is one way the people of Beaufort County honor the Marines and Sailors who live and work among them. Another way is through land acquisitions that protect our Marine Corps Air Station from encroachment. The photo was taken during the Marine Corp Appreciation Days Picnic. ‘Tux the Clown’ was so entertaining I could not pass up the moment to catch him on film.”